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NEWS SUMMARY

GENERAL

Threat of UDA backlash in Ulster

Leaders of the Ulster Defence Association said that they intended to take a "positive paramilitary role" in retaliation for Sunday's show of strength by the Provisional IRA in Belfast.

Unionist politicians bitterly attacked the Government for allowing the IRA and its supporters to attend a West Belfast "troops out" rally. Guns were brandished by four masked men and a woman before the march took place.

Democratic Unionist Party leader Ian Paisley said the Government had "surrendered this part of Ulster to the IRA."

In Belfast yesterday troops were stoned and hijacked vehicles set ablaze. Page 5

U.S. mayor and police accused

The U.S. Justice Department charged Mayor Frank Rizzo of Philadelphia and 20 top city and police officials with condoning widespread and systematic police brutality.

The civil suit, the biggest of its kind, seeks a court ban on such practices and a halt to all federal aid to the city until its police department of 9,000 men is reformed. Page 4

Tehran attack

Islamic militants attacked the Tehran headquarters of a left-wing guerrilla group and the pro-Soviet Tudeh (Communist) Party of Iran. Offices were wrecked and books and leaflets thrown on bonfires. Page 3

Arsonists 'seen'

As fires which devastated more than 25,000 acres of woodland on the French Riviera came under control, police investigated tourists' reports that they had seen suspected arsonists. Page 2

Envoy injured

Iraqi Ambassador to Lebanon Abdul-Hussein Muslim was slightly wounded in an assassination attempt in Beirut. His car was hit by a missile—believed to be an anti-tank grenade.

Quiet grouse

The grouse season started quietly with many shoots cancelled because of a shortage of quarry. Helicopters and jet aircraft were used to rush freshly-killed grouse to London restaurants. Page 5

Train derailed

Four people were hurt, one seriously, when a Manchester-Birmingham train was derailed on the outskirts of Wolverhampton. Inter-City services to the North were disrupted.

Rescuers toil

Doctors and troops worked in thick mud to recover the bodies of an estimated 3,000 people who died when a dam burst above the town of Morvi in western India. Page 3

Euro-poll day

Polling day for the by-election in the European Parliament constituency of London South-West will be Thursday, September 20. The vacancy was caused by the invalidation of the June election of Miss Shelagh Roberts.

Briefly . . .

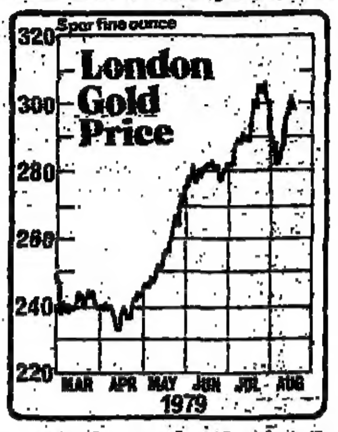
Ashes of author and former naval officer Nicholas Monsarrat were cast into the sea from a frigate off Portsmouth.

Policeman shot dead by three hooded gunmen as he directed traffic in Bilbao, Spain.

BUSINESS

Gold falls $4¾; Equities up 5.8

● GOLD lost $4¾ an ounce in London to close at $297¼. Selling from New York pushed the



metal down sharply in the afternoon. The New York Comex August settlement was $296.80 ($303.30).

● EQUITIES began brightly, helped by Wall Street hopes, and the FT share 30-share index closed 5.8 up at 475.8.

● GILTS drifted as investment interest faltered, the Government Securities Index closing 0.22 down at 73.52.

● STERLING closed at $2.2360, a fall of 1.15 cents. Its trade-weighted index fell to 71.2 (71.5). Dollar's index rose to 84.5 (84.3).

● WALL STREET closed up 8.20 at 875.26.

● MORE than 2,000 workers at Chrysler UK's Linwood plant in Scotland have been told they will be laid off tomorrow because of the six-week strike at the company's Coventry factory. Back Page

● EXCLUSIVE supply of car spares through the big car companies' franchised dealers should be abandoned, according to an unpublished Price Commission report. Back page; News analysis, Page 5

● RACAL, the communications company, has won two defence contracts in North America worth about $16.5m (£7m) for the supply of radio communications receivers to the U.S. Airforce and the Canadian armed forces. Back Page

● SARABEX, the Arab-owned money broker, has been accepted as a "recognised broker" in foreign exchange and currency deposits, the Bank of England announced. Page 5

● UP TO 2,000 permanent jobs could be created by plastics manufacturers setting up plants at Mossmorran, Fife, to use ethylene produced by the planned ethane cracker, said Mr. Jay Dalgetty, a director of Esso Chemicals. Page 6

● LUFTHANSA, the West German airline, has announced across-the-board fare increases of between 4 and 10 per cent for its internal and international routes. They are substantially below the level recommended by the International Air Transport Association in Geneva last month. Page 4

● THE cost of starting up as a farmer leapt by 50 per cent in the last 12 months, according to a Manchester University study. A potential owner-occupier on a 125-acre holding needs £300,000, compared with £200,000 last year and £33,000 in 1971. Page 6

● BRITISH Petroleum is planning an exploration well in Dorset, in the hope of finding an oil reservoir beneath its Kimmeridge Field. Page 6

● FRANCE expects a wine harvest this year of 70m hectolitres, almost 8 per cent above average, and 21 per cent more than last year. Page 21

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Assoc. Biscuit	81	+ 4
Beecham	144	+ 6
Brit. Car Auction	65	+ 3
Brown (J.)	427xd	+ 22
Dutton-Forshaw	45	+ 3½
Fairview Ests.	223	+ 17
Fogarty (E.)	349	+ 14
Furnes Withy	261	+ 9
GEC	398	+ 6
Gelfer (A. and J.)	50	+ 7
General Accident	222	+ 4
Harris Queensway	280	+ 8
ICI	342	+ 5
Lex Service	99xd	+ 4
Man. Agcy. & Music	146	+ 7
Manch. Ship Canal	297	+ 15
Manganese Bronze	44	+ 6
Marchwiel	108	+ 8
Monk (A.)	57½	+ 9½
Morrison (Wm.)	139	+ 12
Office and Elect.	165	+ 9
Peters Stores	82	+ 4
Phoenix Timber	140	+ 10
Racal Electronics	478	+ 23
Silentnight	72	+ 14
Smith and Nephew	78½	+ 4½
Stenhouse	84	+ 6
Stewart Plastics	185	+ 9
Unitech	193	+ 7
Vibroplant	230	+ 15
Vinten	170	+ 14
Wholesale Fittings	375	+ 12
Siebens (UK)	270	+ 10
Union Corp.	362	+ 10
Whim Creek	60	+ 5

FALLS

Exch. 10pc 1983	£93$\frac{7}{16}$	− $\frac{7}{16}$
Treas. 11¾pc '03-07 (£15 paid)	£15	− ½
Wellman Eng.	57	− 9
Wilson Walton	15	− 2
Durban Deep	450	− 16

Engineering unions to consider tougher industrial action

BY NICK GARNETT, LABOUR STAFF

Engineering union leaders will today consider intensifying industrial action in support of their industry-wide pay claim in the face of a hardening stance by employers.

The second of a series of three one-day national strikes brought large sections of the industry throughout Britain to a halt yesterday.

The effect was more severe than last week's one day strike with more regions hit, partly because of the ending of annual holidays int hose areas.

Unions said that again more than 1m workers were involved, with strong backing particularly in the West Midlands, Manchester, large parts of Scotland and areas of Yorkshire and Humberside not still on holiday. *In Wales, 73 of a sample of 80* companies were hit.

Major companies affected included Rolls-Royce with 30,000 workers taking part, Ferranti, where 18,000 workers joined the action at 22 factories, and British Aerospace, with engineering work stopped at its 25 sites.

BL and Leyland said more than 80,000 of their workforces were on strike yesterday, costing production worth more than £15m at showroom prices.

The Engineering Employers Federation conceded the tougher response from the shop-floor as well as the damage caused by the strike and the two-week-old national overtime ban. But *it said last night that* it remained "unmoved" by the action.

There were strong indications yesterday that the 6,500 companies in the federation, employing more than 1m workers, were *standing* very firm in refusing to concede the unions' claim for an £80 minimum craft rate and shorter hours. These companies have already been warned by national negotiators that they will be expected to resign their membership if they concede the claim.

The general purposes committee of the Confederation of Shipbuilding and Engineering Unions will meet this afternoon to review the position. It is under instruction from the confederation's executive to "give consideration to further action to be taken in the event of no agreement being reached by August 20"—the date of the next one-day strike.

The general purposes committee normally makes a recommendation to the confederation executive although it was not clear yesterday if this procedure would be followed.

Mr. Terry Duffy, president of the Amalgamated Union of Engineering Workers, said yesterday: "The action we will be recommending will be in excess of what we are meting out now. We cannot discount a prolonged *dispute.*"

Mr. Duffy has already warned that an all-out strike and selective area strikes cannot be ruled out. The possibility of two or three-day strikes, action against particular industries, and maintaining action at the present level will almost certainly be discussed.

The unions say that 150 companies have conceded the full claim—including a 39-hour week now and a commitment to reduce hours to 35 by 1982. They say 10 of these companies are federation members but the employers' organisation says there are only three.

The national offer involves an increase in the craft rate from £60 to £70, a rise in the *unskilled* rate from £45 to £50 and an 11.1 per cent increase on semi-skilled rates.

Call for new definition of bank capital

BY MICHAEL LAFFERTY, BANKING CORRESPONDENT

THE BANK of England is proposing major changes in the criteria used to determine whether banks have adequate capital resources. The Bank's new thinking, a considerable development on guidelines published four years ago, is set out in a confidential discussion paper circulating in the City

The Bank's proposed definition of capital will lend support to those in the City claiming that the clearing banks' annual profits are distorted by excessively large bad debt provisions.

In the paper, entitled The Measurement of Capital, the Bank proposes a new definition of a bank's capital base, more in line with views generally held by analysts and accountants. It also suggests two ratios—one dealing with assets and the other with liabilities—which may be used in deciding *whether a bank* is prudently managed.

The Bank's action in preparing the paper at this time is thought to stem from the 1979 Banking Act, under which organisations generally described *as banks will* be separated *into* two categories and treated as either "recognised banks," or "licensed deposit-taking institutions."

The paper defines capital as including reported share*holders' funds, plus general* provisions for bad debts and provisions for deferred tax that do not relate to specific tax liabilities. It can also include loan capital with more than five years' maturity to the extent of 50 per cent of total equity, excluding goodwill.

The Bank of England's inclusion of general provisions as part of the capital base is being regarded as an indication that the Bank really regards these *amounts as reserves—which the* clearing banks often hotly dispute.

The Bank says it has "provisionally concluded that, where it is satisfied that a general provision is freely available to absorb future losses as they subsequently materialise it is appropriate to include it within capital."

The two "prudential ratios" discussed in the paper are a gearing ratio and a risk assets *ratio. The gearing measure* would be a bank's "free capital" (total capital, less fixed assets) as a proportion of its total deposit liabilities.

In the risk assets ratio, the Bank breaks with tradition by suggesting the extent to which individual asset categories need to be covered by a bank's own capital—rather than depositors' funds and other liabilities.

For intangible assets, trade investments, plant and equipment, and unconsolidated subsidiaries, a cover ratio of 100 per cent is proposed.

Thereafter ratios are as follows: 15 per cent—property and unquoted investments; 10 per cent—advances, net of specific provisions for bad debts, long gilts, balances with overseas banks due in more than one year, and leased assets; 5 per cent—gilts of 18 months to five years, and acceptances; 2 per cent—market loans, loans to banks, discount houses, and *local authorities, loans of* less than one year to ovesreas banks, and short gilts; 1 per cent—foreign currency notes and treasury bills; 0 per cent—bank notes, balances at the Bank of England, and Export Credit *Guarantee Department export* finance.

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Lead Industries £22m U.S. deal

BY ANDREW FISHER

LEAD INDUSTRIES has agreed to pay $50m (£22.3m) cash for several operations of NL Industries of New York in a deal that will significantly increase the UK company's U.S. turnover.

The businesses being purchased had 1978 sales of some $75m and are set to reach $100m this year. Lead *Industries, in which Imetal of* France has a near 25 per cent stake, had virtually no sales in the U.S. last year. But it is aiming for about $150m in 1980 through this and previous purchases, Mr. Michael Henderson, joint managing director, said.

The acquisitions, on which final agreement is expected in the middle of next month, are subject to British and U.S. Government approval

Lead Industries is buying a producer of materials for the ceramics market, a manufacturer of stabilisers for the plastics industry, a plant supplying oxide for batteries, and a maker of solder and fluxes for the automotive and can industries.

NL yesterday announced sales *of its operations totalling $60m,* of which the Lead Industries deal forms the major part. NL has sold 30 units since 1974 in its policy of concentrating on petroleum services, speciality chemicals and fabricated metals.

The annual report of Lead Industries for last year showed North American sales of £7.6m and profits below £1m. Mr. Henderson said that the companies now being bought from NL should make a positive contribution to profits after finance costs of between $4.5m and $5m.

The UK company, whose activities cover non-ferrous metals, paints and chemicals, expects to finance the purchase through a combination of medium and long-term borrowings.

Earlier this year, it paid $16m for the Oster metal service centres in the U.S., which it merged with its own Fry's Metals. In 1978, it paid less than $5m for the antimony oxide division of NL. Osters should provide about $40m worth of sales next year, Mr. Henderson said.

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Chrysler 'collapse no threat to U.S.'

BY JOHN WYLES IN NEW YORK

THE COLLAPSE and disappearance of Chrysler Corporation would have no serious lasting impact on the U.S. economy or employment, according to a potentially controversial report prepared for the Congressional Budget Office.

The report was commissioned from Data Resources Inc. of Massachusetts at the request of Senator Donald Riegle of Michigan, who could well be surprised and disappointed by its findings.

The argument in the looming Congressional battle over possible Administration proposals for Federal loan guarantees for the struggling car and truck manufacturer will focus very much on the possible impact on the national interest of allowing Chrysler to go under.

The Data Resources investigation deals only with the macro economic impact. To that extent, *it detracts less from the claims* of Congressmen such as Senator Riegle who are worried about the damage to the Michigan economy which would result from the loss of 75,000 Chrysler jobs.

Data Resources claims that Chrysler's closure would initially cost 340,000 jobs in the company and related suppliers. Consequent shock waves would push up the total to nearly 400,000, but the figure would then remain stable for a time at 200,000 to 300,000. The researchers concluded that most of the unemployed would find other jobs by the end of 1981.

The report did not find that Chrysler's disappearance would bring any special windfalls for foreign car manufacturers. It was assumed they would capture about 20 per cent or nearly 200,000 of Chrysler's passenger car market.

Chrysler's current market share is under 11 per cent and *imports are already taking just* over 20 per cent of the U.S. market.

The rest of Chrysler's car sales would go to domestic manufacturers, but the U.S. foreign trade deficit would be increased by about $2.1bn because of increased imports.

At the worst, Gross National Product would not fall by more than 0.5 per cent. The financial markets would not be greatly affected, the report said.

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£ in New York

—	Aug. 15	Previous
Spot	$2.2525-2340	$2.2470-2480
1 month	0.70-0.66 dis	0.54-0.50 dis
3 months	1.71-1.67 dis	1.74-1.70 dis
12 months	5.07-4.97 dis	5.07-4.97 dis

Sharp rise in output viewed with caution

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

ECONOMIC ACTIVITY has picked up sharply in the last few months from the depressed levels of the winter and there are no signs yet of an early recession.

Industrial output between April and June was 4.4 per cent higher than in the previous three months, according to Central Statistical Office figures published yesterday.

The figures are being interpreted with *caution* in Whitehall, where the increase is attributed to the recovery of production lost during the strikes and bad weather of the winter, and to rapid growth of North Sea oil output.

The official view is that, apart from North Sea oil, the underlying level of output has been fairly flat with little real growth.

North Sea oil and gas was, for example, the main contributor to a 3½ per cent rise in total industrial production in the 12 months to the April-June quarter. The output of this sector was 50 per cent up while the production of other industries rose by only 1 per cent.

Over the same period consumer spending rose by more than 6 per cent in real terms. The gap is explained by a sharp rise in imports.

A 3.9 per cent rise in manufacturing output in the April-June quarter lifted production to only slightly above the level of summer, 1978, and this was still less than the 1973-74 peak.

Nevertheless, in spite of all the qualifications about the longer-term trend in non-oil output, there has been a strong recovery in most sectors in recent months.

INDUSTRIAL PRODUCTION
1975=100, seasonally adjusted

		All Industries	Manufacturing
1978	1st	106.9	102.3
	2nd	110.7	104.5
	3rd	111.6	105.1
	4th	110.0	102.7
1979	1st	109.7	102.0
	2nd	114.5	106.0
	Jan.	104.1	93.9
	Feb.	111.8	104.6
	March	113.0	107.5
	April	113.3	105.3
	May	114.3	105.3
	June	116.0	107.2

Source: Central Statistical Office

These figures are in line with the conclusions of the recent Confederation of British Industry quarterly trends survey which noted that below capacity working was at its lowest level for more than five years.

The CBI survey, however, warned that the outlook for orders and output was much less encouraging.

The CBI staff and many other economists expect domestic demand to level off shortly with a weakening of output.

There are few signs of this so far in spite of the erratic pattern of retail sales. Industry's demand for bank loans is, for example, still being maintained.

Yesterday's figures show that the all-industries production index rose to 116.0 (1975=100, seasonally adjusted) in June. This followed a figure of 114.3 in May, though comparison is distorted by the incidence of the *spring bank holiday.*

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Retail sales in July down by 10%

BY DAVID FREUD

RETAIL SALES dropped 10 per cent in volume last month after the Budget spending boom of June. However, spending in shops now appears to be recovering.

The provisional index for the volume of retail sales fell 8.8 per cent in July to 108.1 (1971=100, seasonally adjusted).

The drop was from the previous month's exceptional figure of 120.3, which was heavily influenced by spending to beat the increase in value-added tax *to 15 per cent, which took effect* on June 18.

The reaction after the June boom meant that retail spending volume was 2.3 per cent lower in July than in the same month of 1978.

However, retailers yesterday said that sales had recovered steadily after the initial drop in the week after the Budget.

The trend comes through clearly in the weekly returns from the John Lewis Partnership. In the first full week after the Budget, sales by its department stores were 10.4 per cent lower than the same week in *1978 in value terms.*

Three weeks later sales were

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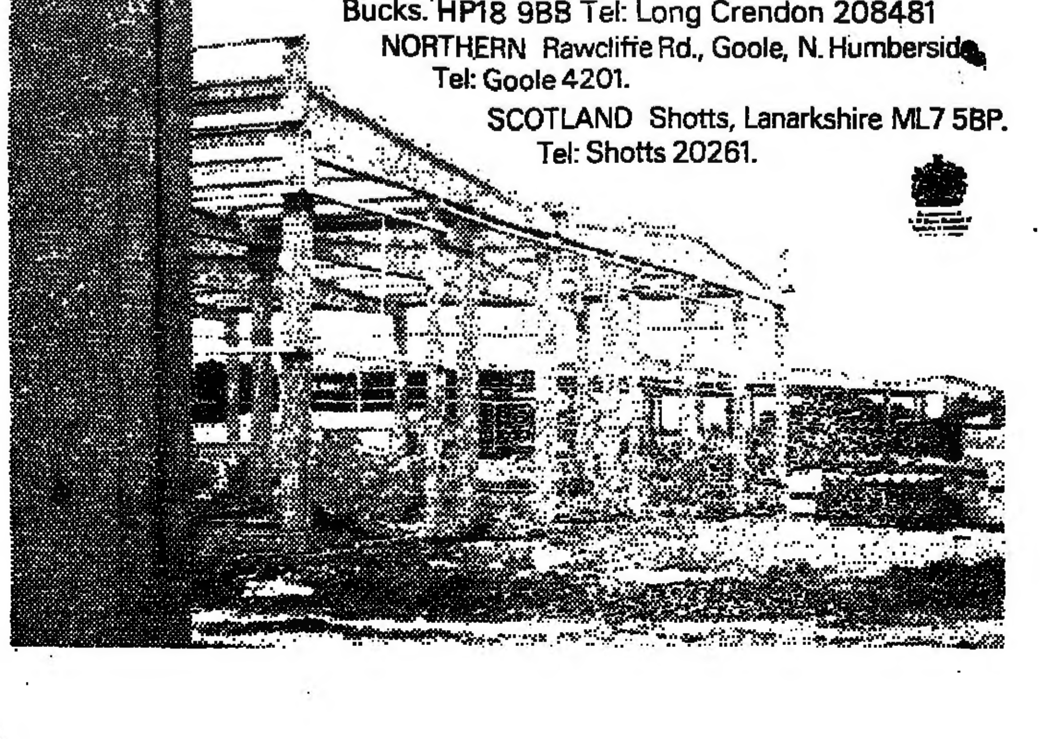

FOREST FIRES RAVAGE SOUTHERN EUROPE

French blazes ease after four days

ST. TROPEZ — Forest fires ravaging the hills above the *French Riviera have been* brought under control but a sudden increase in wind could fan the flames again, officials said yesterday.

Exhausted fire-fighters were being replaced by some 1,500 relief firemen and troops after four days of continuous battles *against the devastating blazes* which swept tinder-dry woodland and razed more than 25,000 acres between Marseilles and St. Tropez.

Police were also investigating reports by tourists who said they saw suspected arsonists in three cars near the heart of a *blaze.* The same three cars, a white Mercedes, an orange Peugeot and a Citroen, had been seen near the centre of other fires shortly before they took hold, *police said.*

Relief firemen and troops were mobilised over the weekend in a nationwide operation *to replace* hundreds of fire-fighters, many of whom have gone without sleep for several days. Over 20 firemen have been injured, one seriously, over the past *four* days.

Although four of the five most serious fires are under control, in the worst-hit Var department, where about 5,000 firemen, troops, forest wardens and volunteers were involved, a large fire is still burning near the village of Sainte Anastasie, emergency services said.

The dry, hot summer has also caused similar trouble in Portugal, Spain and Yugoslavia.

Strong winds were yesterday reported to be hampering fire-fighters tackling a forest blaze in Spain's northeastern Taragona province. Forestry officials said the fire may have been started deliberately. A group of suspected arsonists was seen in the area on Sunday but eluded forest guards, they said.

In Portugal, a major forest fire near the city of Coimbra on Sunday killed a woman and destroyed at least six houses. *Hundreds of firemen also spent* the weekend fighting brush fires near the seaside resort of Cascais, west of Lisbon.

And in Yugoslavia, thousands of tourists have been evacuated from island and mainland sites along the southern Adriatic coast because of fires which destroyed pine woods, vineyards and olive groves.

Agencies

Ceausescu arms call to U.S. delegation

By Leslie Colitt in Berlin

ROMANIA'S President Nicolae Ceausescu has resumed his criticism of the Soviet Union with a thinly-veiled appeal that Governments should reduce their military budgets and use the money to overcome economic underdevelopment.

The Soviet Union has been *attempting to persuade* Romania to increase its military budget in line with the other Warsaw Pact countries, but President Ceausescu is refusing and, instead, has used the money to raise children's benefits.

The Romanian leader's latest remarks are calculated to anger the Russians further as they were made at a meeting in Bucharest with a visiting U.S. Congressional delegation headed by Mr. John Brademas, a member of the Democratic leadership in the House of Representatives.

Only two days before, Mr. *Ceausescu flatly told Moscow* in a speech to cheering Romanian miners that Romania had reached a "limit" in its military spending and that going beyond this would mean "insecurity."

The latest challenge to the Soviet Union comes after Romania has *told its Comecon* partners that their motorists will no longer be allowed to enter the country unless they can pay for petrol with dollars.

In recent months, Mr. Ceausescu has loosened his country's ties with Comecon by purchasing four nuclear reactors from Canada instead of from the Soviet Union. He has also aroused the ire of the Soviet leadership by *announcing that "not a single soldier"* of the Romanian army would ever take orders from outside the country.

In his meeting with the U.S. Congressman, Mr. Ceausescu praised the SALT II agreement signed in June by President Carter and President Brezhnev, *but whose* ratification by the U.S. Senate is in some doubt.

East European officials here note that Mr. Ceausescu appears confident that Moscow will not retaliate by using force against Romania for its growing opposition as this *would end any chance of* rescuing the SALT II treaty.

Greek banks strike

Defying a court order, Greek bank employees went on a 24-hour strike yesterday in protest against Government measures affecting their working hours, reports AP-DJ from Athens. Last week a court provisionally prohobited any strike action until it had reached a decision regarding an application by bank governors to have the strikes declared illegal. The 32,000 employees want the Government to reconsider its decision ordering them to work from 8.30 a.m. to 4.15 p.m. instead of from 7.45 a.m. to 3.30 p.m.

Meeting with Arafat sparks clash over Bonn Mideast policy

BY ROGER BOYES IN BONN

A MEETING between a West *German* Free Democrat (FDP) politician and Mr. Yassir Arafat, the Chairman of the Palestine Liberation Organisation, has sparked off a row about Bonn's policies in the Middle East.

Herr Juergen Moellemann, chairman of the FDP's foreign *policy commission,* returned from his Beirut talks at the weekend and immediately came in for criticism from the opposition and from fellow Free Democrats, junior partners in the ruling West German coalition.

During his Middle East talks, Herr Moellemann presented an eight-point "position paper" which outlined his partly's (and essentially the European Council of Ministers') view of *the Arab-Israeli conflict* and included an explicit reference to the right of the Palestinians to a homeland.

Confusion now reigns however. The presentation of the paper—initially described as a "secret plan" by German and Dutch Press reports from Beirut—seemed to endow Herr Moellemann with an almost emissary-like authority.

And the fact that Herr Moellemann met with Mr. Arafat at all suggested to German opposition and Israeli politicians (notably Mr. Shimon Peres, an Israeli opposition leader) and not least the Palestinians themselves, that Bonn could be edging towards explicit recognition of the PLO. Last month Herr Willy Brandt, Chairman of the Social Democrats met Mr. Arafat in Vienna under the auspices of the Socialist International.

But although Herr Moellemann saw Herr Hans Dietrich Genscher, the Foreign Minister and Chairman of the Free Democrats, before leaving for the Middle East, he claims that he was acting only as an individual member of the West German parliament. He stresses that there was no question of him clearing the decks for PLO recognition.

Whether this will satisfy the Israelis is open to question. There have been signs recently of strain between Bonn and Israel, following the postponement of Chancellor Helmut Schmidt's trip to Israel and his reported opposition to Israel's settlement policies together with Herr Brandt's meeting with Mr. Arafat.

Herr Genscher's recent tour of Middle East countries has aroused the suspicion in Israel that Bonn could be softening its position on the PLO to appease the more radical and oil-supplying Arab states.

Observer role for Spain at non-aligned summit

BY ROBERT GRAHAM IN MADRID

SPAIN IS to attend as an observer the non-aligned summit conference in Havana in early September. This was announced by Sr. Marcelino Oreja, the Spanish Foreign Minister, as Sr. Adolfo Suarez, the Prime Minister, returned yesterday from a nine-day visit to Latin America. Sr. Suarez visited Brazil, Ecuador and the Dominican republic.

For some months the Spanish Government has been considering whether to ask for observer status at the non-aligned summit. The reasoning behind the decision remains puzzling. Sr. Oreja was quoted yesterday as saying that one of the principal reasons for seeking observer status was because of the venue, a Latin American country.

The decision also underlines Spain's desire to develop its ties with the Third World. The Cubans are said to have supported the idea of Spanish observer status since they and their allies are anxious to wean Spain away from the possibility of North Atlantic Treaty Organisation membership.

The criteria for permitting Spain's presence at the Havana meeting are curious since Spain still has a defence treaty with the United States and has three operational American bases on its territory.

The Spanish Government sets store by developing its historic ties with Latin American countries, regardless of ideology. President Fidel Castro, of Cuba is due to make an official visit here in the autumn, his first to a West European country. The Government likes to see itself acting as a bridge between Europe and Latin America.

Strike shuts petrol stations

BY OUR MADRID STAFF

A STRIKE by petrol pump attendants yesterday paralysed more than 60 *per* cent *of* the filling stations in Spain. The stoppage, which is over a pay and work conditions dispute, is due to continue until Thursday.

A special police guard was brought in to oversee strategic distribution points but little trouble was reported. Virtually all the stations run directly by the national petrol distribution monopoly, Campsa, were in operation yesterday.

AP-DJ adds: Spain imported 14.3m tons of crude oil between January and April, up 1 per cent from the same period in 1978, the Industry Ministry reported.

Mr. Farouk Khaddoumi, invited to Ankara to open a PLO mission.

Ankara welcomes PLO but keeps its distance

By Metin Munir in Ankara

THE ARRIVAL in Ankara today of Mr. Farouk Khaddoumi, the Palestine Liberation Organisation's "Foreign Minister," to open a PLO office, implies no change in Turkey's Middle *East* policy. This will remain a polite, but distant support of Arab causes.

The office is the price paid by Mr. Bulent Ecevit, Turkey's Social Democratic Prime Minister, for the successful mediation by the PLO in ending last month's bloody *occupation* of the Egyptian embassy here by Palestinian guerrillas.

In fact, the PLO office was agreed on in principle in Istanbul three years ago during an Islamic summit meeting. But permission to open it has not been taken up.

Ankara was exasperated with the Palestinians for training Turkish left-wing militants in their camps and slipping them across the borders from Syria and Iraq. Grappling with severe political violence, the Turkish Government had no *liking for a free foreign training ground for guerrillas.*

Policy promise

Turkey was also depleased with the PLO's strong support for the Greek-Cypriot cause.

It appears that the PLO has now promised to modify its policies in both fields.

The Turkish Foreign Ministry likes to describe its Middle East policy as "neither pro-*Arab nor* anti-Israeli," as a senior official put it.

It is the only Moslem country, apart from Egypt, which recognises Israel. However, Ankara has consistently upheld United Nations resolutions calling for the withdrawal by Israel from occupied Arab lands, and it also recognises the right of the Palestinian people to their own state.

The Turks seem to believe that the opening of a PLO mission here will enable Ankara to exert pressure on the Palestinians by threatening expulsion if they "misbehave."

The Israelis feel that the PLO office in the Turkish capital was inevitable and will, in all probability, not protest. Even they concede that the opening of the office does not mean a digression from Turkey's *Middle* East policy.

Mr. Ecevit *is known* to be personally sympathetic to the Palestinians, and the PLO office will probably win him some marks from the radical Arab states like Libya and Iran.

But in the end these will not amount to much. Turkey's Middle East policy rests on two pillars—non-involvement in the Arab-Israeli dispute and shunning inter-Arab squabbles. As long as these remain standing, no dramatic change is likely in its attitude toward its neighbours.

● Turkey and the U.S. have resumed talks in Ankara on the future of U.S. military bases which could be used to check whether the Soviet Union is adhering to the terms of the SALT II accord, Reuter reports.

Base proposals

U.S. embassy officials in Ankara said the negotiations resumed last Friday after a six-week break during which Turkey studied U.S. proposals for continued use of the bases.

The Turks could close down the bases, including air bases and sophisticated intelligence-gathering stations, on October 9, the date on which the present provisional one-year accord expires.

The U.S. has had bases in Turkey for many years but the Turks closed them down in 1975 in retaliation for an American arms embargo imposed after Turkey invaded Cyprus.

When the embargo was lifted last October, Mr. Ecevit's Government reopened the bases for a provisional one-year period. The U.S. hopes the present talks will result in permanent status for the installations.

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EEC cash control row threatens

By Elinor Goodman, Lobby Staff

THE European Parliament's committee on budgetary control risks, at its first meeting in September, an immediate confrontation with the Brussels Commission. It must decide whether to endorse in full a report prepared by Lord Bruce of Donnington, a member of the former Parliament's budgetary committee.

The report warns that the democratic control over Community finance is so inadequate that it throws the whole future of the Community into question.

It deals *specifically with the 1977 budget* but will almost certainly be used by the new MPs as ammunition in their campaign to make the Commission more accountable.

At present, the Parliament claims that Lord Bruce's report has no official status because the full committee was not able to discuss it before the June election. To become an official Parliament document, it would first have to be approved by the members of the new committee and then by the Parliament itself in plenary session.

MPs will eventually have to deal with the 1977 budget, so the report cannot be ignored.

The report follows a long wrangle between the old Parliament and the Commission about the latter's response to amendments proposed by MPs. It claims that the Commission uses "*spurious and deceitful*" arguments to override the legal authority of Parliament. It maintains that the powers of the Parliament over Community finance are derisory compared to that of the Commission and the Council of Ministers, which it says are left free to determine without any democratic control the use or misuse of massive sums of money.

German refit for pride of France

BY ROBERT MAUTHNER IN PARIS

ONCE THE pride of the French merchant navy, the former transatlantic ocean liner France is due to slip out of the Port of Le Havre before dawn tomorrow for a refit in a West German shipyard before starting a new life as a Norwegian cruise ship in the Caribbean.

At least that is the plan. The Communist-led CGT union has threatened a fight to the finish to prevent the departure of this symbol of French prestige, even though it is no longer in French ownership.

After flying the French flag for 12 years on the Atlantic route to North America, and subsequently as a cruise ship in the Caribbean and Mediterranean the *France* was *sold* in 1977 to Mr. Akram Ojjeh, a Saudi businessman, for FFr 80m (about £8.7m). Though the 1973-74 oil crisis had put paid to the ship's prospects as a profit making transatlantic liner, Mr. Ojjeh hoped to turn it into a floating hotel on the West Coast of the United States or in the Caribbean.

The project never materialised. The France lay rusting on the quay side at Le Havre until Mr. Knut Klosters, a Norwegian shipowner, bought her for slightly less than FFr 80m in June this year and rebaptised the vessel Norway.

Mr. Klosters, who also intends to turn his new acquisition into a cruise ship for Caribbean *holidaymakers, has committed* the ultimate sin in French eyes of giving the order for refitting and converting the Norway to the West German Hapag Lloyd shipyards in Bremen, instead of to a French yard.

Mr. Klosters has argued that the tender by *Le Havre* shipyards was uncompetitive, the West German bid was as much as $35m cheaper and the Germans offered completion *three* months earlier.

This last blow to national pride has infuriated the unions. While they do not dispute Mr. Kloster's economic arguments, they consider that the French Government should have stepped in to enable a French shipyard to win the refitting order.

Swedish industry concern over inflation and exports

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

ALTHOUGH THEIR order books continue to swell and the *number of unemployed is* shrinking, Swedish industrialists are increasingly anxious about domestic inflation and a possible weakening in demand for exports. Both these negative developments are blamed on energy price increases.

It is now certain that the Swedish consumer prices index will break through the 5 per cent threshold to allow the unions to call for new wage talks. Union leaders said last week they would seek negotiations with the employers in September, even though only a short time remains before discussions must open on a new long-term wages agreement.

The current agreement provides for fresh wage talks if the consumer price index compiled by the Statistical Bureau climbs by more than 5 per cent between December, 1978, and the end of October.

Preliminary estimates by the Bureau indicate that Swedish industry's order intake in the second quarter was 6 per cent larger than during the corresponding period of 1978; deliveries grew by 10 per cent.

At the end of June, industrial order books were 17 per cent higher in current prices than a year earlier. The share of exports was 48 per cent, an increase of 2 per cent over the year.

The biggest improvements in demand during the second quarter were reported by the iron, steel and metal sector, the chemical industry, and pulp and paper mills.

Unemployment dropped from 97,000 in June to 86,000 in July, with the *number of young* people without jobs falling from 47,000 to 37,000.

Soviet Union pioneers MHD power plant

By Our Foreign Staff

WORK HAS started on a 600 MW magnetohydrodynamics (MHD) power station at Ryazan, 140 miles south-east of Moscow. It will be the world's first industrial-scale MHD plant.

Mr. Petr Neporozhny, Minister for Power and Electrification, says the station will consist of a MHD unit of 200-250 MW plus a 300 MW steam turbine. It is due to begin working by 1985.

The process involves burning fuel at extremely high temperature, *salting* it with a ionizer, and driving the resulting plasma through a magnetic field to produce electiricity. It is clean and operates with an efficiency of about 50 per cent, compared with about 20 per cent for other methods. Excess heat can be used to run a steam turbine.

The Soviet Union has two experimental MHD plants, both in Moscow. A 2 MW station finished in 1965 is sometimes used to light the Kremlin walls. A larger 25 MW facility has been run continuously for 10-12 days at a time and has fed current into the Moscow grid.

The *bigger station* uses one conventional Soviet-made iron magnet weighing 2,000 tons, and a U.S. superconductive alloy magnet of 40 tons.

Giles Merritt reports from Luxembourg on problems facing Arbed

Wide social effects of restructuring

ARBED, THE Luxembourg-based giant that is Europe's fourth largest steel producer, is in the throes of a radical restructuring programme that by 1984 will have cost more than LuxFr 40bn (about £26m) and cut by more than one man in five the workforce of 60,000 it employs in iron and steel operations.

Relying as it must on exports for 97 per cent of its sales, Arbed's *modernisation and cost-*cutting plan is arguably the most radical yet mounted by any of the European Economic Community steel producers. It *also offers one of the most vivid* and poignant examples of steel restructuring in action, for just 20 kilometres west of the city of Luxembourg Arbed workers are helping to put the finishing touches to new, more efficient plant which will lose many of them their jobs.

At the Esch-Belval complex, the core of Arbed's Luxembourg operations, the only new blast furnace being built in Europe nears completion. It towers over the two smaller furnaces there and its angular bulk is the outward sign of Arbed's determination to get back into the black by next year. Last year the group reduced its losses to LuxFr 1.9bn from the 1977 LuxFr 4.5bn, but since 1975 they have totalled a crippling LuxFr 8bn (£52m).

Arbed is nevertheless confident that by 1980 it will have turned the corner, and its handling of the restructuring programme *is* gaining it a reputation for crisis management. It accepts that, and the plaudits of Community Commission officials in Brussels working on the Davignon Plan for the reorganisation of the Community steel industry, with somewhat gloomy relish.

For Arbed is all too well aware of the social consequences of restructuring. Since 1975 it has slimmed its Luxembourg workforce by 5,400 to 21,000, and by the end of its 1979-83 restructuring plan must reduce that further to 16,500. *It has managed to keep* Luxembourg's official unemployment figure at under 600 by the creation of an "Anti-Crisis *Division" that employs several* thousand men on what are in effect odd jobs.

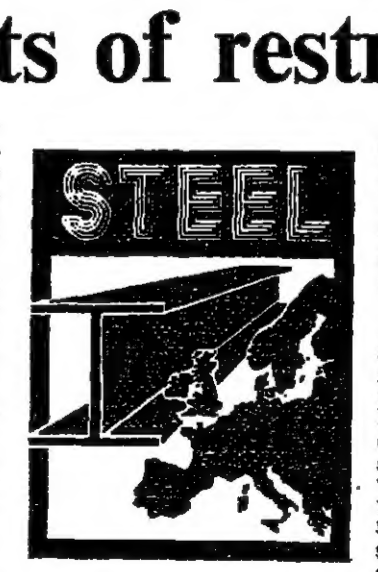
But it seems unlikely that this, combined with early retirement and a measure of diversification into light industry, will be enough to shelter Luxembourg from a growing *unemployment problem in the* 1980s.

Under the plan, Arbed is to spend LuxFr 23.2bn on its four plants in the Grand Duchy, and the modernisation will be concentrated on the construction of continuous casting installations and new *rolling* mills. Output from the four last year was 4.25m tonnes, and capacity is being maintained at an annual 6m tonnes.

In addition, Arbed is in charge of *running* down the outmoded Rodange-Athus plant that straddles the Luxembourg-Belgian border physically and in terms of ownership, and which is jointly held by Arbed and by Belgium's number one steelmaker, Cockerill, together with the Bruxelles Lambert Group. Its future operations will be limited to re-rolling.

Just as Arbed is huge, with a worldwide workforce of more than 100,000, Luxembourg is *tiny* with a population of 355,000. The Grand Duchy's premier company cannot look to the Government for much financial cushioning. Not without strain, the State is contributing LuxFr 3bn in special grants, but the rest is up to Arbed. On the other hand, the speed with which Arbed has been able to implement its streamlining has to some extent been attributed to the lack of consultation with Government which in other countries has tended to delay action.

The Arbed reorganisation extends well beyond Luxembourg. In its role as crisis manager in the nearby *Saar region of* West Germany, it is involved in a LuxFr 18bn reorganisation



of the industry, and aims to cut *employment there in steel from* the present 27,000 to 18,500 over the next two and a half years. The main financial burden is assumed by the Federal Government, which in addition to DM 900m (£212m) in credit guarantees is funding the plan to the tune of DM 48m annually over the five years.

Bonn is leaving the modernisation of the Saar plant to Arbed, for since last year the Luxembourg giant has become *virtually the sole shareholder* in Roechling-Burbach and Neunkirchner Eisenwerk, the two Saar steel majors that last year accounted for 3.1m tonnes of Arbed's 3.6m tonnes output there.

But policymaking on the jobs front, given the major difficulties of creating alternative employment in the Saar, is a prickly political problem that will require close co-operation between Arbed and the West German authorities.

The social climate in which the Saar restructuring takes place will be markedly different from that in Luxembourg, for last year Arbed negotiated a tripartite pact with the Government and trade unions in which the redundancy levels were agreed. The only sign of trade *union activity* that has so far threatened Arbed's plans was an attempt earlier this year by Belgian unions, concerned with the phasing-out of Rodange-Athus, to create a cross-border common front linking militant *French unions in the hard-hit* Lorraine steelmaking region with those of Luxembourg and Belgium.

Of Arbed's total steel production of 11.9m tonnes in 1978, 2.6m tonnes came from its Belgian operation, the ultra-modern Sidmar plant. Sidmar's highly efficient sheet steel operation does not require restructuring, and Arbed's involvement in the parallel efforts that the Belgian industry is to make is limited to a rationalisation and production co-operation agreement with the companies known as the "Charleroi Triangle."

The arrangement with Hainaut-Sambre, Thy Marcinelle et Monceau, Carlam and Laminoir du Ruau is a technical one. Arbed's *Dudelange* plant in Luxembourg is to abandon the production of hot-rolled coils in favour of stepping up cold-rolling capacity, leaving more hot-rolling work to the "triangle." *In* return, the Charleroi Basin will abandon the rolling of certain types of steel section already produced in Luxembourg.

According to some officials at the Brussels Commission, Arbed's plan will consolidate its *traditionally strong position* as a producer of long products in the Community. But the cost of the programme is beginning to weigh heavily on the group, *with long-term* debt having risen dramatically between 1977 and last year from LuxFr 13.5bn to LuxFr 21.7bn. The burden on production costs was *plain enough when Arbed* released its 1978 figures earlier this year, for although turnover had risen 11.1 per cent to LuxFr 37.5bn, the group was *still firmly in the red.*

Yet the trend is encouraging. In the first half of last year the deficit was LuxFr 1.5bn, and in the latter half it fell to LuxFr 400m. This year's first half is expected to confirm that recovery.

Tehran mob ransacks Marxist guerrilla HQ

BY OUR FOREIGN STAFF

A CROWD of about 1,000 sacked the headquarters of the Marxist guerrilla movement Fedayeen-e-Khalq in Tehran yesterday, as the Government announced new regulations for foreign journalists working in Iran.

The sacking of the office, in which four members of the Marxists were injured, came a day after its members had taken part in big demonstrations in Tehran calling for an end to repression and freedom of the Press.

The Fedayeen, in anticipation of the attack, had started moving out of their headquarters the night before but had apparently not completed the move. The attackers said they found at least 30 automatic rifles, hand grenades, mortar shells and a number of revolvers.

The Government has produced a 14-point list of regulations for foreign journalists which implies that they may be prosecuted in Iran if their newspapers or news agencies publish false or distorted news about the country.

Article 10 of the regulations, which have the force of law, reads: "The responsibility for false, distorted or tendentious news about Iran published in the foreign press, falls directly on the representative of the Press organisation concerned. Proceedings may be taken against them according to the regulations in force and those responsible may be prosecuted."

The regulations, issued by the Ministry of National Guidance (formerly Information), also said journalists intending to come to Iran must swear an oath before Iranian embassy officials in their home countries that the stories they write will be based on the truth.

They must also guarantee not to spread unsubstantiated rumours or undertake activities tending to create discord or disunity in Iran.

Since the February revolution, six foreign newsmen have been expelled on the Ministry's orders and a number of others have been warned about their coverage of events in Iran.

AP reports from Brussels: Two Iranian officials met Viscount Etienne Davignon, the European Commissioner for Industry, for 75 minutes yesterday, ending a 10-month diplomatic lull between Iran and the European Community.

A Common Market spokesman said after the meeting that the talks with Mr. Ali Ardala, Iran's Economic Affairs and Finance Minister, and Mr. Mohammed Molawi, Governor of Iran's Central Bank, touched on a number of issues, including energy.

The spokesman stressed the meeting had been called by the Iranians and "we (the Common Market) have not used this occasion to start negotiations on oil."

Under the Shah, Iran repeatedly sought a preferential trade status, to which the Common Market would not agree. The EEC spokesman said the Community's position has not changed in that respect.

He added the Common Market sees yesterday's meeting "as a political signal" from Tehran that the new regime there wants to renew trade discussions with the nine-nation European Community.

A second meeting has been scheduled for October, the spokesman said.

The last treaty between Iran and the Common Market expired in 1973. Since then there have been a number of meetings that were never concluded because of the European refusal to grant Iran a special trade status. Yesterday's talks were the first since October of last year.

Last year, the EEC exported \$8.3bn worth of goods to Iran and imported products worth \$9.4bn, according to Community figures.

Polisario 'kills 400 Moroccans'

ALGIERS—Four hundred Moroccan soldiers were killed and 300 wounded in a clash with Polisario Front guerrillas last Saturday in the heart of the Western Sahara, a Polisario official said yesterday.

He said that 175 Moroccan troops were captured including a captain and three lieutenants in the six-hour-long operation at the Bir Enzaran Oasis. Large quantities of military equipment were destroyed or seized, he added.

The clash, in the Moroccan part of the disputed territory, is one of the bloodiest recently reported.

The Moroccan Government said earlier that Moroccan forces inflicted heavy losses on Polisario guerrillas but admitted that an unknown number of Moroccan soldiers were also killed in the fighting.

The battle comes a week after Mauritania signed a peace accord with the guerrilla forces, who are seeking independence for the former Spanish colony of Western Sahara.

The Polisario has also reported an attack on the small town of Lebuirate, in Southern Morocco. It said 92 Moroccan soldiers were killed and 71 wounded in the raid, the third on the garrison town in six weeks.

Reuter

Our Rabat correspondent adds: The Moroccan Government has distributed arms to the civilian population in areas bordering on Algeria and is concentrating troops in the Tiris el-Gharbia area of the Western Sahara from which Mauritania is in the process of withdrawing.

M. M'hamed Boucetta, the Foreign Minister, said the 6,000 Moroccan troops sent two years ago at Mauritania's request to help protect it from attacks by the Polisario Front were being withdrawn from Mauritania proper only and concentrated in the Tiris el-Gharbia.

This confirmed that Rabat intends to take over the 90,000 square miles of desert and its only town, Dakhla or Villa Cisneros on the coast, and integrate them with the rest of the Western Sahara which it considers an integral part of Morocco.

PLO drive for wider support

BY IHSAN HIJAZI IN BEIRUT

MR. YASSIR ARAFAT, leader of the Palestine Liberation Organisation, is planning new steps to secure wider international support for his organisation, including recognition by the United States.

Mr. Arafat is expected to stop in New York on his way back from next month's Non-Aligned Conference in Havana. He will address the United Nations General Assembly, and might hold talks with Mr. Andrew Young, U.S. Ambassador at the United Nations.

The PLO's Central Council, the policy-making body of the organisation, declared after a meeting in Damascus on Sunday that the diplomatic drive should be continued particularly in Havana and at the General Assembly, as long as Palestinian rights to repatriation, self-determination and establishment of an independent Palestinian state are upheld.

The central council gave a warning against what it called U.S. attempts to split the Arab camp opposed to the Egyptian-Israeli Peace Treaty, but did not exclude a dialogue with Washington.

Observers said the insistence on an independent Palestinian State may prove the main hindrance to an U.S.-PLO dialogue. President Carter has already gone on record opposing the creation of such a state. He indicated at the same time that his Administration would support the right of Palestinians to take part in determining their own future.

Mr. Yassir Arafat

A prominent leader of El-Fatah, the main guerrilla group, has strongly attacked the Iraqi regime of President Saddam Hussein, and condemned the executions of alleged plotters carried out in Baghdad last week.

Mr. Abu Saleh, a member of Fatah's central committee, addressing a rally on Sunday accused President Saddam Hussein of trying to use Iraq's oil wealth to gain leadership of the Arab world. Referring to the execution of 21 prominent Iraqui's, Mr. Abu Saleh said: "By killing their own comrades they are killing their country's independence."

The rally was held on the occasion of the first anniversary of the assassination in France of the head of the PLO office there, Mr. Izzeddin al-Kalak, and an aide. They were murdered by Iraqi agents.

Observers said the attack by Mr. Abu Saleh indicated that, contrary to earlier speculations, the conflict between Fatah and the Iraqi regime is not over yet.

Mr. Mohammed Musleh Hassan, the Iraqi Ambassador in Beirut, was slightly injured yesterday when his car was hit by a rocket-propelled grenade as he was driving near the Embassy in predominantly Moslem west Beirut.

Bombs had earlier been placed at the offices of Iraq Airways and the Iraqi Cultural Centre in Beirut.

Asia bank urged to boost rural assistance

By Daniel Nelson in Manila

A POLICY SHIFT away from strict banking criteria is envisaged for the Asian Development Bank in a staff working paper on agriculture and rural development, released yesterday.

The document urges the bank and its developing member countries to give priority to rural development, which it says has been lopsided.

"It has become apparent that the earlier approaches to agricultural and rural development often failed to bring benefits to the people most in need of them," the paper says.

The recommendations will be welcomed by critics who argue that the bank acts too rigidly on commercial lines.

The report specifically recommends that lower rates of return should be accepted from projects in poorer developing countries and that desirability, and not feasibility alone, should be a project criterion.

It also calls for agrarian reform throughout the region and more investment in basic public services for the poor, admitting that the bank may have to finance the latter to enable Governments to concentrate on growth goals.

The bank's \$1bn investments in agriculture and rural development represents about a quarter of its total loan approvals to date.

Murdoch allowed to buy Sydney TV company

BY JAMES FORTH IN SYDNEY

THE AUSTRALIAN Broadcasting Tribunal has approved the purchase by Mr. Rupert Murdoch's international media group, News Ltd., of a 48 per cent controlling shareholding in a Sydney television company.

News Ltd. gained control of the company, United Telecasters Sydney Ltd. (UTL), which operates Sydney's Channel 10, in on and off market purchases in May. Under existing legislation the approval of the tribunal is necessary if an individual shareholder obtains more than 15 per cent of the capital. Foreign ownership in television companies is also restricted to 5 per cent of the capital.

Claims were made at tribunal hearings in July that the News holdings were effectively foreign because the chief executive and major shareholder, Mr. Murdoch lived in New York, and spent the greater part of his time in the U.S. The tribunal, however, ruled that the News purchases in the company did not contravene legislation.

On one of the key issues, Mr. Murdoch's residential status, the tribunal ruled that to decide the general question of media ownership and control of broadcasting and television stations in the News Ltd—UTL case would be, or would appear to be, to discriminate unfairly against one media owner while others went unscathed.

The majority of metropolitan television stations are either controlled by media groups or have media groups among their shareholders. The tribunal believed it did not have the statutory power to decide the issue but suggested that the Minister for Post and Telecommunications could direct it to hold a further inquiry and to make recommendations on the question.

During the inquiry, Mr. Murdoch stated that he might force the closure of Channel 10 unless the tribunal gave its approval. He said News Ltd. would not sell its shares unless it got a fair price, regardless of the tribunal's findings.

The tribunal conceded that refusal to approve the share sales would not result in automatic restoration of the previous position.

The tribunal stated that little or no evidence had been given to show that the television station's independence and objectivity would be adversely affected by the News purchase. The tribunal noted with approval that "firm and unequivocal" assurances had been given by senior News personnel and by Mr. Murdoch as to the independence and impartiality of the services.

Tarling 'only 20 days in Singapore'

SINGAPORE — Mr. Richard Tarling was in Singapore for only 20 days during the period when he was alleged to have violated Singapore company law, the High Court was told yesterday.

Mr. Tarling, 44, former chairman of Haw Par International, the south-east Asian conglomerate of the British Slater Walker group, faces five charges under the Singapore Companies Act for allegedly failing to show a true and fair view of the company's accounts in 1972 and 1973. He has pleaded not guilty.

A key prosecution witness, Mr. John Scothorne, former financial controller of Haw Par International, said under defence cross-examination that Mr. Tarling was in Singapore for only nine days in 1972 and 11 days in 1973. During his absence, other directors of the company performed all functions.

Mr. Scothorne, who has been given immunity against prosecution, said Mr. Tarling became Haw Par's chairman in 1971, Mr. Donald Watson, as managing director, had powers to conduct the management affairs of the company.

Mr. Watson left Singapore in 1976 soon after the Singapore Government appointed two inspectors to investigate the affairs of Haw Par International.

The charges against Mr. Tarling allege that he, together with Mr. Watson and another director, Mr. Keith Tamblyn, violated the Singapore Company Act. Mr. Tamblyn has also left Singapore.

Mr. Tarling was brought to Singapore in March this year after he failed in a two-year legal battle against extradition from Britain. If found guilty, he faces a two-year jail term and a fine of 5,000 Singapore dollars (£1,000).

Earlier in the proceedings, London accountant Dennis Garret gave expert evidence for the prosecution.

During his cross-examination by Mr. Howard Cashin, for the defence, Mr. Garret said that a unit trust was formed to conceal profits made by two of Haw Par's Hong Kong subsidiaries, Grey Securities and Cobra Investments.

In answer to a defence question, Mr. Garret said the Company Act differed from country to country, but no company was allowed to exclude profits from its consolidated account anywhere in the world.

Reuter

Inflation protest halts Israel

By David Lennon in Tel Aviv

A TWO-HOUR strike in protest against inflation brought Israel almost to a halt for its duration yesterday.

The strike was called by the Histadrut Labour Federation because of a 50 per cent rise in the price of basic foodstuffs caused by Government cuts in subsidies, which came into effect at the weekend.

The government had hoped that the response to the strike call would be minimal, but, in fact, most trade union members took part. Only essential services and some industries requiring continuous production were exempted.

Ground staff at the country's international airport decided to prolong the strike for five hours. Their action led to major disruption.

Mr. Yerucham Meshel, Secretary-General of the Histadrut, said that if the Government did not take some action to control 100 per cent inflation, he would call additional strikes.

Treasury officials said that plans were going ahead for further cuts in Government expenditure. But they promised that subsidised basic commodities would not again be affected this year.

Arab citizens of Israel protested to the Government yesterday against a decision not to compensate them equally with Jewish citizens for the latest price rises.

Large Jewish families will receive an immediate increase in family allowance, but Arabs will not. A special regulation enables the Government to pay more to the families of those who served in the army than to others.

Virtually all Jews are conscripted, but Arabs are exempted because of doubts about their loyalty to the state in its fight against the Arab states.

Mauritius paralysed

PORT LOUIS — A general strike in support of demands by sugar workers for shorter working hours paralysed the Indian Ocean island of Mauritius yesterday. Officials of the General Workers' Federation which has called for an unlimited strike, estimated that 70,000 dock, transport and other workers had stayed at home.

The sugar workers are demanding a 40-hour week and compensation for inflation, but the employers say this would cost the industry £18.7m.

Reuter

India flood death toll reaches 3,000

BY OUR FOREIGN STAFF

TEAMS OF doctors and troops worked in thick mud yesterday to recover the bodies of an estimated 3,000 people who died when a dam burst above an industrial town in western India.

A wall of water 13-ft high is reported to have swept into the town of Morvi in Gujarat state on Saturday when an earthwork dam on the Machchu river collapsed.

Factories, houses and bridges were swept away by the deluge, which came after two weeks of torrential monsoon rain. Damage to industry around the town of 60,000 people has been estimated at £5m.

Some survivors were left without food and water for more than 24 hours. But by yesterday more than 25,000 food packets had reached the area with army help. Drinking water and milk was being provided for about 10,000 evacuees.

It is still not clear how the disaster occurred. Even before the dam burst, large areas of Gujarat were covered in flood water. Some people living in low-lying areas below the dam had, therefore, already been evacuated.

The flood left the entire town under a blanket of mud that was 6 ft deep in part. More than half of the houses in Morvi have either collapsed or been damaged.

Mr. Keshubbai Patel, Gujarat's Agriculture Minister, said after visiting the area that the toll in terms of life and economic damage was unlikely to be known quickly. He said that rescue operations had been organised on a war footing with full help from the military. Local radio reports claimed this was the area's worst flood in 50 years.

Mr. Charan Singh, India's Prime Minister, said yesterday that he was deeply shocked by the disaster. He has released £42,000 from the National Relief Fund for rescue operations.

Throughout the day, rescue workers carried out mass inocupeople trapped on rooftops or on high ground. Health service workers carried out mass innoculations to prevent disease. Police, members of the Home Guard and civilian volunteers joined in the task of recovering bodies from the mud and debris.

Our Calcutta correspondent reports: Tension was reported along the Indo-Bangladesh border yesterday as at least 10,000 Bihari Moslems gathered for a "long march" across northern India to Pakistan.

The Moslems, who plan to set out today from the border town of Dinajpur, have maintained Pakistani citizenship since Bangladesh separated from Pakistan.

Indian border forces are under orders to push back any Biharis who cross into India. The Pakistan Government has shown no great eagerness to accept them, while the Bangladesh authorities have asked for restraint. The threatened long march is evidently being used to pressure Dacca into shipping the Moslems to Karachi.

PAKISTAN PREPARES TO DEFEND ITS 'BOMB'

Delhi attack on atomic facility feared

PAKISTAN IS taking measures to defend, against the possibility of an Indian attack, facilities near the capital, Islamabad, which are believed to be part of its programme to build a nuclear bomb.

Anti-aircraft missiles have been moved into the area in the past three weeks, and anti-aircraft guns are thought to have been installed. In addition, fighter aircraft are operating from Islamabad airport.

Diplomats in Islamabad interpret the new defences as a warning to the new Indian Government that Pakistan will not be deterred from its nuclear research programme. They are also believed to reflect Pakistani anxiety that India might destroy the facilities in a pre-emptive strike.

Simon Henderson, recently in Islamabad, reports on Pakistan's measures to defend installations near the capital, which are believed to be part of a programme for the building of a nuclear bomb, and on fears that India might launch a pre-emptive attack. The defence measures are seen as a warning to India that Pakistan will not be deferred from its nuclear programme.

Although Pakistan denies that it is trying to make a nuclear bomb, Western analysts believe that it had this intention even before India exploded a nuclear device in 1974.

The principal target for any attack would be a huge facility under construction at Kahuta, near Islamabad, where, according to Western analysts, a uranium enrichment plant assembled from parts clandestinely acquired in Europe is being built.

The new defences could also protect a site at Sihala on the Lahore road where, what is thought to be, the pilot plant for the Kahuta installation is already working.

French-built Crotale missiles on two multiple launchers which have been seen moving into the area are normally positioned at Pakistani Air Force bases. They have a range of about five miles so must be sited near to target.

The aircraft at Islamabad international airport are Chinese-made versions of the comparatively old Russian Mig-19 but are armed with U.S. air-to-air missiles. Their deployment at the airfield and the frequent flights they make over Islamabad are new developments.

Experts say that these defences would provide protection to the extent that an Indian attack would be ineffective unless it was on a scale tantamount to all-out war.

India already has overwhelmingly superiority over Pakistan in terms of armed forces but would still rely on conventional military aircraft in any attack on Kahuta. Its nuclear device is not thought to have been developed into a bomb and the latest India attempt to make a long-range missile for launching satellites has failed.

Kahuta is less than 50 miles from the Indian part of Kashmir. It was while travelling in a car near the facilities that the French Ambassador to Pakistan and his first secretary were beaten by unknown assailants at the end of June.

Construction on the site is going ahead under the supervision of a Special Works Organisation, based in Rawalpindi, near Islamabad. Last year the organisation ordered high-frequency electrical inverters from Britain, sales of which were subsequently banned by the British Government because of their possible nuclear application.

Uganda seeking tea aid

KAMPALA—Mitchell Cotts, the British-based international trading company, is being invited back to Uganda to help revive the country's tea industry, Ugandan officials said yesterday.

Mitchell Cotts' Ugandan subsidiary, the Uganda Company, was expropriated by the Amin regime in 1973. The British company has since submitted a claim for about £7m in compensation for the loss of its 6,000 acres of tea plantations.

Tea production in Uganda fell from 23,000 tonnes in 1972 to 11,000 tonnes last year.

Reuter

Mexico puts the brake on population growth

By William Chislett in Mexico City

The Mexican Government's two-year-old family planning programme is beginning to have some success in stemming the country's explosive rate of population growth. The country's growth in this area is the fastest in the world, and the present 67m is expected to rise to 100m by the year 2000.

Population is the fundamental factor behind Mexico's immense social and economic problems. Only if the growth rate is reduced from 2.9 per cent a year to the target of 1 per cent by 2000 will the problems be solved.

The most pressing problems are unemployment, which with underemployment, is estimated at 50 per cent; poverty (4m peasants earn less than $38 a year); sharp regional imbalances; the stagnation of agricultural production, which is failing to keep up with the population increase. Large illegal emigration to the U.S. every year also cannot be eased unless the number of Mexicans born every year is greatly reduced.

The demand such a population produces to build more schools and houses meant that last year 4m children failed to receive primary education.

The long-term political stability of this oil-rich country depends upon reducing the population growth. Mexico City already has 13m people and, by 2000, will be the world's largest city with a population of around 30m.

In 1972, for example, when Mexico's population was growing at an annual rate of 3.5 per cent, births outstripped deaths by 1.9m—370,000 more than the combined 1972 natural increase of Canada and the U.S. (Great Britain's growth rate is virtually zero.)

National plan

Then, the Government believed that "more is better" That thinking was changed when Sr. Jose Lopez Portillo became President at the end of 1976 and gave his backing to the creation of a family planning co-ordinating council and the drawing up, for the first time, of a national plan.

Since the council's creation, the Government claims that the growth rate has come down to 2.9 per cent with 2.5 per cent as the target for 1982, the end of the present Administration. This year's budget for the family planning council is about 700m pesos ($30.7m). The council is concentrating on the rural areas, where it is training one person to be responsible for each of 8,500 communities of between 500 and 2,500 people (a total of 13m people).

In these areas, many without water and electricity and where the inhabitants speak a variety of Indian languages, often not Spanish, the council is having to employ a member of the community to act on its behalf. "Outsiders" are not trusted and anyway do not know the customs of these areas.

"It is no use going to these communities with the pill in your hand and hoping that people will use it," said Dr. Jorge Martinez Manautou, the council's leader.

Usually a young girl is chosen and trained for eight weeks in family planning methods. She then returns to her village. If she cannot cope with a particular problem she can delegate it to someone at town or city level, where state hospitals deal with special cases.

"We should have started a family planning programme 20 years ago," says Dr. Martinez Manautou, who laments the lack of vision of previous governments. He takes encouragement from the fact that in the last two years a further 600,000 women have become regular users of contraceptive devices.

Church attitude

The Catholic church in Mexico has not voiced much opposition to the efforts being made to persuade people to limit the number of children they have. Mexico is predominantly Catholic

Apart from a few conservative clergymen, the council has encountered few obstacles. One of its rural family planning centres is in a church.

The council has also been helped by the privately owned television channel, Televisa, which is running a second "family planning soap opera" where, as Dr. Martinez Manautou says, "the good families are those which have few children and the bad families those with lots." Many rural areas do not have television sets and so the council is planning a similar programme for radio.

"If we are successful and bring the annual rate down to 1 per cent by 2000, then Mexico's population will be about 104m. If we fail and it continues to grow at the present rate then it will be 135m," said Dr. Martinez Manautou.

In other words success would mean that Mexico's population would double every 63 years. Failure would mean every 22 years—a daunting prospect.

Philadelphia mayor faces police brutality charge

BY DAVID BUCHAN IN WASHINGTON

THE U.S. Justice Department yesterday charged Mr. Frank Rizzo, the Mayor of Philadelphia, and 20 top city and police officials with allowing and condoning widespread and systematic police brutality.

The Department's civil suit, by far the biggest of its kind, follows an eight-month investigation personally ordered by Mr. Griffin Bell, the retiring Attorney-General, and seeks a court ban on such practices and a halt to all federal aid to the city until its Police Department, the fourth largest in the country with 9,000 men, is reformed.

Philadelphia has received more than $76m in federal funds, including $10.2m for law enforcement, over the past decade.

The controversial Mr. Rizzo, in characteristically unrepentant vein, said yesterday of the suit: "We welcome it." The suit alleges that Mr. Rizzo, an ex-policeman who served as Police Commissioner between 1967 and 1971, initiated many of the city's police practices and helped perpetuate them after he became mayor.

Mr. Rizzo's two terms as mayor will come to an end this autumn, after his failure last November to get city voters to approve an amendment allowing him to run for a third term. But the Justice Department's legal action yesterday makes it less likely that the city will elect a successor in the same mould.

The suit notes that Philadelphia police each year shoot about 75 people, and that some 1,100 complaints are made against them. But despite investigations by the Justice Department of some 210 complaints of police brutality between 1974 and the start of this year, Mr. Drew Days, Assistant Attorney-General, said that only six police officers had been convicted while some 38 cases were still open.

Mr. Days said yesterday that criminal laws applying to individual cases were "insufficient to deal with a situation that seems to involve a police department as a whole," and so his Department has decided to undertake a civil action under civil rights laws.

Mr. Rizzo, who was originally elected on a tough law and order platform which seemed to suit the electoral mood of the early 1970s, earlier this year dismissed the allegations of police misconduct as "media-generated." He has had a long fued with the city's most prestigious newspaper, the Philadelphia Inquirer.

The Government's suit which, among others, names Mr. Joseph O'Neill, the city's current Police Commissioner, and its medical examiner and finance director as defendants, focuses on seven areas: the police system for handling brutality complaints; police actions on the streets; use of weapons; arrest practices; internal disciplinary procedures; training; and alleged victimisation of Philadelphia's black and Hispanic community.

Griffin Bell . . . personally ordered investigation.

It notes that some officers most heavily implicated in these allegations have been promoted, even after being convicted on minor charges.

There are problems in othter U.S. cities, though perhaps not on the same scale, and Mr. Days commented yesterday that the Justice Department hoped that success in the Philadelphia suit would bring improvements elsewhere.

CIA warns on Iran oil output

BY DAVID LASCELLES IN NEW YORK

IRAN'S production of oil could be seriously reduced by the middle of the next decade unless steps are taken soon to ensure a healthy future flow, according to a study carried out by the CIA.

The agency predicts that Iranian production is unlikely to rise above its current official 4m barrels a day (b/d) in the coming years. In fact, it calls that an optimistic forecast and says that it could drop below 3m b/d by 1985.

Production before the February revolution was between 5.5m and 6m b/d.

The CIA bases its prediction on intelligence reports which show that Iran is neglecting equipment at producing wells, and failing to take steps to ensure future production. In particular, the agency notes, Iran is not opening up new gas fields which would be used to boost pressure in oil wells

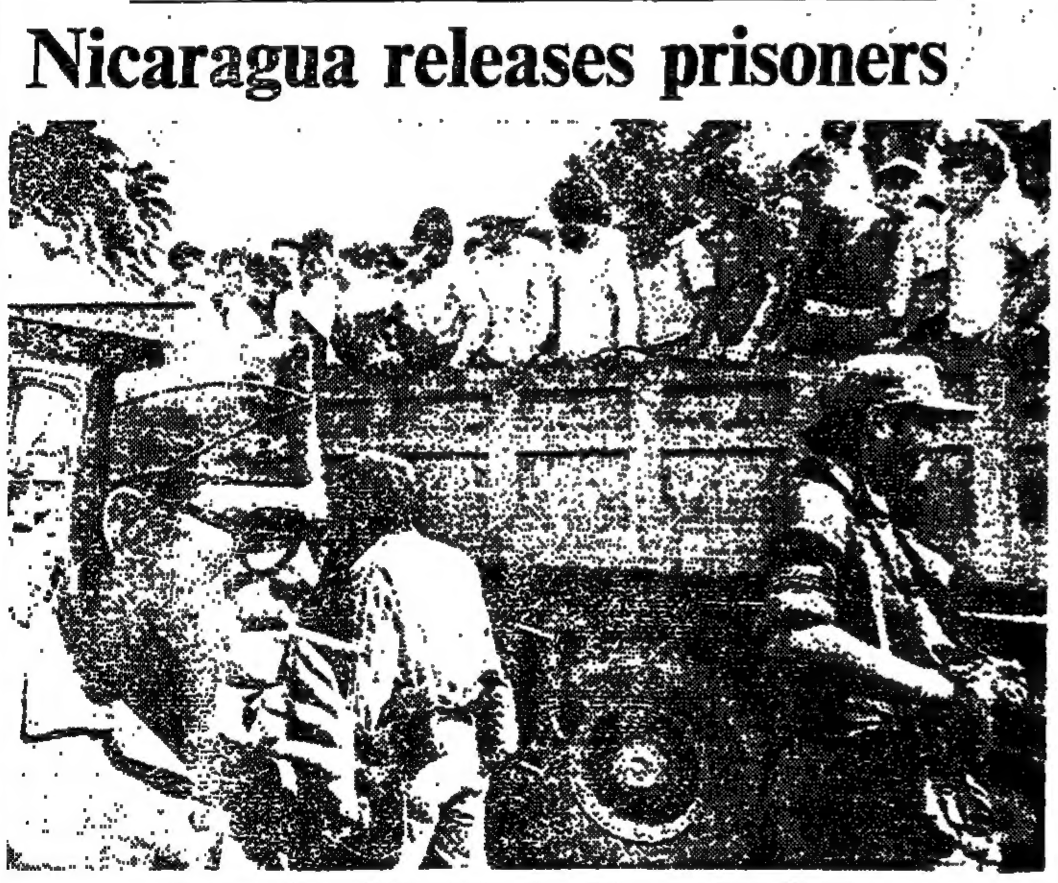
Exploration has also been cut, and the number of foreign technicians in the Iranian oil and gas industry has fallen sharply. Because of long lead times, plans must be made now to compensate for declining production from existing wells in the 1980s, the CIA says.

U.S. set to win Korea deal

SEOUL — Aggressive bidding by the U.S. Export-Import bank helped the U.S. wrest an important South Korean contract from France and West Germany, according to reports here.

Korea Electric said it had chosen Westinghouse Electric as the probable supplier of nuclear steam supply systems and turbine generators for two nuclear power plants.

Nicaragua releases prisoners



Sr. Tomas Borge (left) watches the prisoners arrive in Managua.

MANAGUA — Sr. Tomas Borge, Nicaragua's Interior Minister, supervised the release of 268 prisoners, former members of President Anastasio Somoza's National Guard at the weekend.

The prisoners, who had been held in Jinotega, were transported to Managua in trucks. The Red Cross was providing transport to their home towns yesterday.

Sr. Borge said he had told the prisoners that they were witnesses to the generosity of the Sandinista revolution and should go back to work to take care of their families. He said that the Sandinistas have about 5,000 prisoners in jail, most of whom would be freed very shortly.

Sr. Borge also said that Nicaragua would seek military weapons from socialist nations only if the United States and Western European countries refuse to sell the arms.

"We don't want to buy arms from socialist countries," he said "We don't want to give pretexts in the sense that we might be aligning politically with socialist countries."

Sr. Eden Pastora, his deputy, had said in Ecuador on Saturday that Nicaragua would seek arms from Socialist countries if the U.S. refused the weapons.

Sr. Borge, however, emphasised that Nicaragua would turn to the U.S. first, Western Europe second and socialist countries last. "I understand the United States will sell us arms. I believe it is possible they will."

He said that even if Nicaragua did buy arms from socialist countries, this would not imply that it was entering the Communist sphere. "We are not satellites of anybody," he said.

Nicaragua will seek military training assistance from Panama, he said, adding that some 100 Panamanian advisors are already in the country to help create a Sandinista police force.

Nicaragua needs artillery, tanks and aircraft to respond "quickly to any threat of agression," Sr. Borge said. "We would prefer tractors to tanks and transport planes instead of combat planes, but we need to build a minimum level of defence."

AP

Fall in Bermuda's tourist income

BY OUR OWN CORRESPONDENT

BERMUDA'S tourist trade suffered a drop in visitors and spending last year; compared with 1977, the number of visitors dropped by 4.7 per cent and spending by 15.7 per cent, according to a study on the economic impact of tourism prepared by Mr. Brian Archer, director of the Department of Hotel and Tourism Studies of the University of Surrey.

Visitors' expenditure in cafes, restaurants and night clubs fell by between 15 and 20 per cent, in retail stores by 25-30 per cent and in cycle rentals, taxis, sightseeing and sports establishments by up to 40 per cent. The study, which did not investigate the cause of the decline, noted that in 1978 tourism accounted for 40 per cent of the gross domestic product, 57 per cent of household disposable income and 47 per cent of Government revenue. Tourists last year spent $195.3m, 15.7 per cent less than the $230m spent in 1977, a record year.

Mr. Jim Woolridge, the Tourist Minister, releasing figures for the first six months of this year, said that ignoring a hotel labour dispute in March and the loss of DC-10 flights in June, visitors approached the record figures of 1977.

The total so far exceeded the 1978 figures for the same period by 10.9 per cent or 26,950. In June, the island had a record number of visitors from cruise ships—25,534—an increase from the 17,493 in the same month last year.

Tourist dollars last year generated more household income and Government revenue than the $195.3m spent. Tourism generated $311.8m in household income, and $41.3m in Government revenues, nearly half the $95m the Government budgeted for 1978-1979.

BCal gets $38m loan for DC-10 airliner

By Our Aerospace Correspondent

NATIONAL Westminster Bank has arranged a $38m (over £17m) Eurodollar ten-year credit to enable British Caledonian, the independent airline, to buy a fourth U.S. McDonnell Douglas DC-10 Series 30 jet airliner. The aircraft has just been delivered to B. Cal.

NatWest is involved with a syndicate that includes the Bank of America, the Bank of Scotland and Midland Bank.

The loan was arranged by the aerospace section of NatWest's corporate financial services department, on a floating rate basis tied to the London Interbank rates.

B. Cal will use the new DC-10 for services on its main long-haul routes to West and Central Africa, and North America, including flights to Houston, Texas.

Jaguar deal 'to go ahead'

By K. K. Sharma in New Delhi

REPORTS that the Indian Government plans to review the £1bn deal with British Aerospace on the Jaguar fighter are baseless officials close to Prime Minister Charan Singh said yesterday. The Defence Minister, Mr. C. Subramaniam, has already denied reports that an inquiry into the deal has been ordered.

This should end speculation about the future of the deal under which British Aerospace is to supply 40 Jaguars, built in Britain, and establish facilities in India for their manufacture.

Air Panama work for BA

By Our Aerospace Correspondent

BRITISH AIRWAYS has won a contract to help improve the operations of Air Panama, the Latin American airline.

In a joint deal between BA, the Panamanian National Finance Corporation, and Canadian Overseas Airlines, the Vancouver-based airline support and consultancy agency, the UK airline will conduct a management and systems audit, and a review of Air Panama's fleet.

British Airways sells its management support through a special unit set up to market this expertise.

Other recent contracts won by BA in this field include those with Yemen Airways and Royal Brunei Airlines.

The initial deal with Air Panama opens the way for possible future long-term support for that airline, during which BA may provide qualified staff to the airline, and also help with staff training.

● Air Lanka, the new national airline of Sri Lanka, starts twice-weekly flights between Colombo and Gatwick Airport, London, on September 2.

Air Lanka is being developed with support from Singapore Airlines.

Lufthansa fares increase held below IATA level

BY ROGER BOYES IN BONN

LUFTHANSA, the West German airline, has announced across-the-board fare increases of between 4 and 10 per cent for its internal and international routes—substantially below the level recommended by the International Air Transport Association in Geneva last month.

Herr Guenther Eser, a Lufthansa director, said yesterday that the fares on European routes would rise between 4.5 and 5 per cent compared to the IATA recommendation of 10 per cent, while internal fares would go up from 4.9 per cent.

On North Atlantic routes, Lufthansa is increasing fares between 4 and 5 per cent on normally priced routes while low-priced flights to America will cost 10 per cent more, compared with the IATA suggestion of a 12-13 per cent rise.

The IATA recommendations arose from the rapid increase in the cost of kerosene during this year. Lufthansa, while clearly welcoming the general IATA line, has opted for restraint because it occupies a relatively privileged position among European airlines. It uses less kerosene than some of the major airlines and, because of the strength of the Deutsche mark, can purchase the dollar-priced fuel at comparatively low prices.

Last year, for example, fuel accounted for only 11 per cent of the airline's costs, while Alitalia, the Italian airline, with a somewhat older and thirstier fleet, needed 15 per cent and IATA members in general needed 18 per cent.

Lufthansa's fuel expenditure has actually fallen from DM 581m to DM 540.6m (£131m) over the past three years, although it has increased its operations by 18 per cent. Other countries with strong currencies, like Switzerland, have benefitted in a similar fashion.

An additional factor underpinning Lufthansa's moderation is that it needs Government approval for the rise. This would by no means have been assured had Lufthansa implemented the IATA guidelines. In the first IATA price round earlier this year, a 7 per cent increase was recommended but Lufthansa was obliged to raise its fares by only 5 per cent. There is also the fear that sharp fare increases would deter potential passengers just as the high summer season traffic is beginning to slacken.

The fares increases are currently being considered by the Traffic Ministry which is expected to make a decision soon, if approved, the increases will come into effect on September 1.

Japan—Australia coal accord

BY RICHARD C. HANSON IN TOKYO

THE ELECTRIC Power Development Corporation has initialled a letter of intent with the two major owners of Blair Athol Coal, an Australian coal development concern, to eventually acquire a 19 per cent interest in order to assure a long-term source of steam coal for Japan.

The basic agreement will be formalised within three months, but the actual acquisition of the shares, 11 per cent from Conzinc Rio Tinto of Australia, and 7 per cent from Atlantic Richfield, will depend on negotiation of a long-term purchasing agreement. That and a feasibility study are expected to take about two years. Rio Tinto holds a 62 per cent interest in Blair Athol, and Arco 38 per cent.

The Electric Power company, which is 72 per cent owned by the Japanese Government and 28 per cent by private interests, hopes to buy 5m tonnes of steam coal a year from 1985 with a contract running 15 years. The coal will be used to fuel one of Japan's planned coal burning power generating plants on the southern island of Kyushu.

Blair Athol, whose deposits are located in central Queensland, is estimated to have proven reserves of 270m tonnes.

In addition to the feasibility study and purchase contract, plans must be laid for completion of rail, port and other infrastructure to make the project feasible in Australia.

This could prove difficult because development of such an infrastructure also depends on progress on four other coal projects in the region for which there are no concrete programmes set out for completion.

There were no estimates for the value of the planned sale of the share to Electric Power company. It sells the electricity it generates on a wholesale basis to nine privately-owned regional power companies (which own the private shares in EPDC).

The corporation operates Japan's only power station fuelled exclusively by domestically produced steam coal and is the leader in constructing power stations to use imported coal.

UK exhaust specialist to link with Rhone Poulenc

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

EURO Exhaust Centre Holdings, the privately-owned concern which claims to be Europe's largest specialist exhaust fitting chain, has linked with Rhone Poulenc, France's biggest chemical group, to launch its French operations.

Rhone Poulenc has set up a subsidiary, Sopran (Societé pour la promotion activité nouvelle) as a job-creation organisation to assist redundant employees from its manufacturing plants in finding positions in new industries.

Sopran has loaned Euro FFr 400,000 (about £42,000) for six years, with the first two years interest free. The company will also provide management expertise. And for each ex-Rhone Poulenc employee that Euro takes on, a FFr 10,000 (£1,052) grant will be paid, which effectively will reduce the capital loan figure by the same sum.

Sopran will also help Euro to find sites and will recommend an executive to run the Euro French operation—to be called Euro Centre d'Echappements.

Euro is expanding rapidly on the continent. Currently it has three centres in Belgium and seven in Holland. Two more Dutch centres will come into operation by the end of 1979 as well as one in Paris and another in Dusseldorf, West Germany.

The company has 82 UK centres, and Mr. Alec Merritt, managing director and founder, says that by 1981 Euro expects to have at least 30 Continental centres as well as more than 100 in the UK.

"The projection for 1991 is 120 in the UK and 200 on the Continent, mainly in Northern Europe," he said.

He estimated that the replacement exhaust market in West Germany, France, Holland, Belgium and the UK comes to a combined £1bn.

Euro's turnover this year will reach about £12.5m. In Holland, Belgium and West Germany, Euro has linked with USN, the Dutch exhaust wholesaling business.

Mexico, USSR place orders with Sweden

By William Dullforce in Stockholm

SVENSKA FLAKT, the Swedish industrial ventilation and pollution control group, reports new export orders from Mexico and the USSR. The Ford Motor Company at Cuautitlan near Mexico City has placed a $5.2m (£2.4m) order for a complete paint finishing line to be used in the production of new cars.

This turnkey installation, scheduled for delivery in April, will handle up to 26 cars an hour. Ford is the main customer for Fläkt's paint finishing lines, which it is currently using in its factories in Europe, South America and Asia.

Fläkt's French subsidiary has won a $3.6m contract from the USSR to supply part of a plasterboard line for a board factory near Moscow. Delivery is scheduled for the middle of 1980, and the completed line will have a capacity of some 11m square metres a year.

The main contractor is Technip France. The order is financed through French Government export credits.

AIRBUS INDUSTRIE LOOKS AHEAD

Stopping the Boeing juggernaut

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE DECISION by Airbus Industrie, the European consortium building the A-300 and A-310 Airbuses, to appoint a co-ordinator for future projects has been widely welcomed throughout the European aerospace industry.

Mr. Derek Brown, 54, who has been head of projects and research in the Hatfield-Chester division of British Aerospace's Aircraft group, will move to Toulouse to take on this task, as vice-president, new products co-ordination at Airbus Industrie.

His objective will be to produce, some time in the early 1980s, one or more new designs that will be capable not only of widening the spectrum of Airbus Industrie's activities, but also of meeting the formidable competition expected from the U.S. airliner manufacturers at that time.

At present, Airbus Industrie is building the 250-seat A-300 and its smaller derivative, the 200-seat A-310, in a variety of models to meet different airline requirements, and so far has orders and options for 359 aircraft. But this is as far as the European response to the U.S. airliner juggernaut, Boeing, goes at this time.

The latter has a much wider range of designs on offer in world markets—the 737 short-haul jet, the 727 short-to-medium jet, the new, larger 200-seater 757 and semi-wide-bodied 767 jets, and the giant 747 Jumbo. Added to these is the possibility of a new version of the 707, with the Franco-U.S. CFM-56 engines, emerging in the next year or so.

The European A-300 and A-310 are directly meeting both the 767 and 757 in world markets, and also to some extent the smaller, basic versions of the Lockheed three-engined TriStar and the McDonnell Douglas DC-10.

But the other U.S. short-to-medium range jets—the 737, 727 and the McDonnell Douglas DC-9—are virtually having it all their own way in world markets for smaller aircraft, with only limited competition coming from the ageing British Aerospace One-Eleven design, and the Fokker F-28 twin-engined jet.

Airbus will have to pull together the various aircraft designs of its member companies under one umbrella if Europe is to beat the Americans in the world marketplace. It is a formidable task, because each company is likely to jealously guard its own particular baby and not see it merged into a wider venture

It is becoming increasingly clear that, in the early to mid-1980s, a major new market is likely to emerge for a variety of new types of jets. These are, first, a requirement for one, or perhaps two, types of aircraft in the broad 120-160 seat short-range category, to replace not only One-Elevens and Trident Threes, but also even earlier models of the DC-9, 727 and 737, some of which by then will have been in service for between 15 and 20 years.

This new category of aircraft is broadly labelled by Airbus Industrie as the "Joint European Transport" or JET programme.

Secondly, there is likely to be a need for a new, wide-bodied, stretched short-to-medium range airliner, seating up to about 350 passengers, that could complement the A-300 on world air routes, and meet increasing competition from the basic TriStar and DC-10.

Thirdly, there could be a market for a new long range—say, more than 6,000 miles—four-engined aircraft that would carry up to 200 passengers on what are called the "long, thin" routes, where traffic densities do not justify the use of Jumbo jets, but where smaller numbers of passengers want to travel long distances, non-stop, such as between New York and Tokyo.

Throughout Europe in recent years, the various individual companies separately have been working on a wide variety of designs in all these areas.

These have been exploratory, rather than serious attempts to produce firm programmes, and have been intended to discover just what the airlines are likely to need, and what would be involved in developing them in terms of cash and other resources. As a result, none of these designs have yet come to fruition, and many may never do so.

It will be Mr. Brown's task to look at all of them, no matter which member-company of Airbus Industrie has been working on which project, and try to pull out of the bag at least one or two serious designs that could be turned into firm programmes.

It is a formidable task, because each company's individual project office is likely jealously to guard its particular baby, and may not want to see it merged into a wider venture. But this is just what has got to happen if Europe wants to beat the Americans in the world marketplace. The short-to-medium range market has swung Boeing's way for years because Europe could not really offer a commercial venture good enough to match the 737, 727 and DC-9. The European efforts so far have been, to say the least, poor by comparison — collectively, the number of One-Elevens, Tridents and F-28 jets built come nowhere near the 1,700 Boeing 727s and over 700 737s that have been ordered over the past 15 to 20 years.

Mr. Brown will be working in the knowledge that Boeing itself is not standing still. That company has already set up a small but formidable team of experts to study potential replacements for the 737 and 727, and the company is now looking for new engines, such as the projected Rolls-Royce RB-432, as possible power-plants. A combination of the RB-432 and a new, aerodynamically more efficient wing design, could make any ultimate 737 replacement a most formidable aircraft in an era of steeply rising fuel costs.

Airbus Industrie, and its individual partners, including British Aerospace, therefore regard Mr. Brown's appointment as vital if the consortium is to avoid finding itself pre-empted by the world's biggest jetliner manufacturer. Boeing has already developed a healthy respect for Airbus Industrie, since that company has captured orders and options for 359 of its A-300s and A-310s, and is negotiating for many more.

If Mr. Brown's team has its way, Airbus Industrie may also eventually achieve a comparable feat in the other markets for other types of jet airliners that will emerge in the years ahead.

Ban on housing funds for Auriol to continue

BY ANDREW TAYLOR

[TH]E HOUSING Corporation is [to] continue with its ban on [pr]oviding new funds for [A]uriol Housing Foundation—[on]e of London's largest volun[tar]y housing associations, which [th]e corporation claims has been [mi]smanaged.

The corporation yesterday [pu]blished the results of its 18 [mo]nth inquiry into Auriol, [wh]ich concluded that there had [be]en mismanagement in the [ad]ministration of the asso[cia]tion and that "measures [sh]ould be taken to secure the [fu]ture control and management [of] Auriol."

These include the restructur[in]g of Auriol's management [co]mmittee and the appointment [by] the corporation of five new [co]mmittee members.

A corporation spokesman said [th]at the ban on new funds—[wh]ich started when the inquiry began—would remain in force until these measures were carried out.

Mr. Frank Ebdon, Auriol's director, claimed yesterday that the association was being victimised by the Housing Corporation which controls the purse strings for the housing association movement. He strongly rejected the findings of mismanagement by the corporation.

The corporation said that Auriol's procedures for the accounting of rental income and payments for expenses and repair work were inadequate.

But it said that there was insufficient evidence of mismanagement by Mr. Ebdon and two other Auriol officials for it to invoke its powers calling for their removal.

A corporation spokesman said that the position of Mr. Michael Cahill, Auriol's chairman, was being considered and that the corporation had written to Mr. Cahill.

Mr. Ebdon said that Mr. Cahill was being made a scapegoat and that the corporation's claims were completely unjustified.

An inquiry carried out by the corporation two years ago revealed large deficits in the management of 15 out of 20 associations in London and major provincial centres. In a Birmingham association the deficit amounted to nearly 75 per cent of revenue.

The corporation's decision to press for a reorganisation of Auriol follows a report by the Commons public accounts committee, which criticised accounting and disclosure systems adopted by some housing associations.

NEB to fund high technology project

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

[T]HE NATIONAL Enterprise [B]oard's regional office in the [N]orth-west has agreed to invest [£]318,000 in A.S.R. Servotron, a [c]ompany producing industrial [a]utomation systems.

The investment will enable [th]e company, which was set up [ju]st over two years ago by Mr. [E]ric Kohn, to expand into the [m]anufacture of high technology [D]C permanent magnet motors. [T]hese have been supplied by [a]n outside contractor until now.

The Midland Bank, which has [s]upported the project from the [s]tart, will provide banking [f]acilities.

Discussions between the [N]EB's North-west office and Mr. Kohn have been going on for [s]everal months. The NEB's [d]ecision in principle to go ahead [w]as taken before the change of [G]overnment. Permission for an [i]nvestment of this size, however, [d]oes not have to be sought from [t]he Department of Industry, and the NEB's regional investment role has been confirmed by the Industry Secretary, Sir Keith Joseph.

The NEB believes the investment will make a commercial return, and Mr. Kohn emphasised yesterday that in his view the NEB's role was like that of any merchant bank. Mr. Kohn claims that A. S. R. Servotron, in which he holds a 64 per cent stake, will be the only company in Europe making permanent magnet motors to be incorporated into automated systems for industrial applications.

The company has recently moved into a Government advance factory in Bromborough on the Wirral, where production of the motors is to start in November. It hopes to employ 80 people by 1981. Application has been made to the Department of Industry for regional development grants and for other Government regional assistance.

Courtaulds plans £1.3m expansion at Coventry

BY RHYS DAVID

COURTAULDS is planning to spend £1.3m to expand facilities for the production of the starting material for carbon fibre, [t]he high-strength, low-weight [m]aterial used in a variety of [s]ophisticated engineering appli[c]ations.

The company, one of the [w]orld's largest producers of [c]arbon fibre, announced last [y]ear that it would be spending [£]2.3m to increase output of its [G]rafil carbon fibres. This plant [i]s now on stream and has [b]rought the company's capacity [u]p to about 250 tonnes a year.

The latest investment, at the [c]ompany's Coventry chemicals [s]ite, is intended to meet in[c]reased demand both from with[i]n Courtaulds and from outside [c]ustomers for the acrylic pre[c]ursor used in making carbon [f]ibres and is expected to be on [s]tream within the next 12 [m]onths. Only a small number [o]f new jobs are likely to be [c]reated, however.

Carbon fibres, which achieved [a]n initial but abortive break[t]hrough as the material [o]riginally used for the fan [b]lades of the Rolls-Royce RB-211 [j]et engine, have since found a [v]ariety of other applications.

Courtaulds exports roughly [9]0 per cent of output, mainly to the rest of Europe and Japan but new opportunities have begun to emerge in the U.S. The licence which Courtaulds granted to Hercules, the U.S. chemical producer in 1969 for the American market ceased to be exclusive last year and Courtaulds is hoping to build up sales itself in the U.S. of both grafil and the precursor.

In a separate development Fothergill and Harvey of Littleborough, Lacanshire, which produces a wide range of high performance textiles, plastics, wires and cables has started to bring into production a new insulated wire plant costing £750,000.

Beer festival

THE THIRD beer festival organised by the Campaign for Real Ale take place at Alexandra Palace, London, from September 2 to 8.

Some 250 beers from over 100 brewers, including at least 15 small breweries which did not exist two years ago, will be available, and 200,000 pints are expected to be served. The festival has attracted over 50,000 people in each of the last two years.

Wilkinson Match plant to close

By James McDonald

WILKINSON MATCH is to close its match factory at Fairfield Row, East London, and will switch production to its Liverpool and Glasgow factories. Since 1971, the plant has been making book matches only.

Union officials are quoted as saying that only 40 production workers will be offered other jobs, with 200 jobs disappearing.

Mr. Harry Davey, regional officer for the General and Municipal Workers Union, said yesterday: "There is no bitterness over the closure decision. We realise it is necessary. A total of 280 workers will be involved in the closure—200 of them our members — but the company is going to do its best to secure other employment with companies in the area."

Mr. Davey said the closure would be phased over some months.

The factory is famous for the match girls dispute of 1888 when the girls employed went on strike against low pay and poor protection from phosphorus poisoning.

They won their fight with the support of a sympathetic fund. and their action started the battle. for the foundation of wages councils in industries where unions were too weak for normal bargaining.

Mind challenges union ban on Broadmoor man

A HIGH COURT Writ was served upon Mr. Patrick Jenkin, Social Services Secretary, yesterday, in a test case in which Mind, the National Association for Mental Health, is challenging the legality of a union's attempt to ban special hospital patients from a local psychiatric hospital.

The case has been taken up on behalf of a 49-year-old patient at Broadmoor, one of the four maximum security special hospitals run by the Department of Health and Social Security.

The transfer of the man from Broadmoor to Oakwood Hospital, Maidstone, Kent, has been blocked by a nursing staff ban on patients subject to restriction orders under section 65 of the Mental Health Act of 1959. This section involves a court order with or without a time limit on the person's stay at a special hospital.

Britain's wines about to make their mark

BY CHRISTOPHER PARKES

FIVE ENGLISH wines are only one step away from a national award which could bring them recognition as wines of quality on a par, it is claimed, with the appellation controlée and qualitätswein types of the Continent.

Early in September samples from the 1978 vintage will face a taste test in the last stage of the process required before growers are allowed to mark their bottles with the newly - approved certified trademark of the English Vineyards Association (EVA).

The mark, approved by the Department of Prices and Consumer Protection last year after six years' work by the EVA, will have no legal validity outside Britain since the UK wine industry has not been in business for long enough to meet EEC quality wine requirements.

It will, however, "assure the trade and consumers that the wine has matched rigorous set standards," the association said yesterdday.

Ten samples from last year's "thin" harvest were submitted for approval. Only five passed the chemical analysis tests.

These will now be tasted early next month by experts from the Institute of Masters of Wine, an English organisation and one layman. Mr. Colin Parnell, editor of Decanter magazine, will fill the laymen's place on the panel, but the institute tasters have yet to be named.

English wine growers have elected to wait before attempting to win EEC recognition for their wines of quality. The small scale of the industry does not justify the expense and, a spokesman said, involvement with Common Market rules and regulations could hamper the development of the industry.

Growers are keen to keep up expansion and experiment further with vine varieties in search for the ideal grape for UK conditions.

The English Vineyard Association has almost 700 members, concentrated in East Anglia and the South East. From a total of 800 acres they produce an average 50,00 bottles a year. Acreage has doubled since 1976.

Last year a Somerset vigneron exported 2,400 bottles of white wine to northern Italy.

Auction rooms mark time Page 10

Arab-owned broker officially recognised by Bank of England

BY NICHOLAS COLCHESTER

SARABEX, the Arab-owned money-broker, has been accepted as a "recognised broker" in foreign exchange and currency deposits, the Bank of England announced yesterday. This ends a campaign by Sarabex lasting two years, which involved an appeal to the European Commission, to gain entry to the London broking fraternity.

In order to win the Bank of England's approval, Sarabex has had to restructure its management. Three experienced London dealers have joined in senior positions.

They include Mr. Roy Brinsden, senior manager of the foreign exchange dealers at Barclays Bank International who will become chairman and Mr. Robert Ramsay, formerly joint managing director of Sarabex Limited in October, and the senior dealer at Security Pacific National Bank, who becomes joint managing director immediately.

Meanwhile, three Sarabex directors have loosened their ties with the London operation but will continue to be involved in the company's activities elsewhere. They include Mr. Ramzi Halabi, a shareholder in the company, who gives up the post of chairman of Sarabex Ltd., but remains chairman of the whole group.

These are understood to be the only changes requested by the Bank. Sarabex has fulfilled the other essential precondition for recognition—sponsorship by six banks — and will now become a member of the Foreign Exchange and Currency Deposit Brokers' Association.

Money brokers are middlemen between dealers—mostly banks—in currency and currency deposits. In Britain they are not allowed to deal on their own behalf. Recognition and membership of the association are important to this trade because the banks in London have, since 1975, been instructed to restrict their use of brokers to members.

By appealing to Brussels, Sarabex forced the Bank of England to assume formal responsibility for membership to the association and to define more closely the preconditions for membership. Its concessions to the Bank have thus enabled it to gain full access to the London market in currencies and deposits in spite of opposition from some influential club members.

Court urged to restrict Inland Revenue rights

THE COURT of Appeal was yesterday asked to curb the Inland Revenue's powers to search premises and seize documents during investigations into possible tax frauds.

London bankers Rossminster and Mr. Ronald Plummer, its managing director, with Mr. Roy Tucker, a tax consultant, and accounting and secretarial company AJR Financial Services, are challenging the way the Revenue executed search warrants at their homes and offices on Friday, July 13.

Lord Denning, Master of the Rolls, sitting with Lord Justice Browne and Lord Justice Goff, was told that Mr. Plummer was woken at 7 am by a knock on the door of his home in Radmor Place, Bayswater, London.

Three tax officers, accompanied by a policeman, then searched the house "from top to bottom," said Mr. Andrew Bateson, QC.

Mr. Plummer then went to Rossminster's premises in Hanover Square, Mayfair, to find tax officers emptying rooms of documents. Virtually everything was taken.

Mr. Tucker's home, Nettlestead Place, near Maidstone, and AJR's offices in Hanover Square were subjected to similar treatment.

Mr. Tucker specialised in producing tax avoidance schemes. Part of AJR's business was to represent clients at appeals against the Inland Revenue.

It was quite wrong that documents relating to pending appeals were seized, said Mr. Bateson.

The Revenue had refused to give any details of the suspected offence or reveal the evidence used to obtain the search warrants.

The Appeal Judges are sitting as a specially convened court during the law vacation to hear the case as a matter of urgency. They are being asked to overrule a High Court decision on August 1 that the seizure of the documents was not an "abuse of powers" by the Revenue.

The appeal, expected to last three days, continues today.

Housing work well down

PUBLIC AND private housing work has been considerably reduced, says a Royal Institution of Chartered Surveyors survey out today.

The RICS quantity surveyors' workload survey notes that the most noticeable reduction in workload was in the public sector.

Mr. Peter Hart, chairman of the working party which produced the report, said the reduction in this sector had not been offset by increasing activity in the private sector.

Hunters grouse about the 12th

BY ARTHUR SANDLES

THE GROUSE season did not start with its usual bang. As if moving the Glorious Twelfth to the Thirteenth was not bad enough (shooting on Sunday is out), the grouse are not plentiful this year.

The moors were thus strangely silent, and London's gourmet tables strangely empty.

"Many shoots have been cancelled. The grouse are not at all plentiful." Mr. J. Traynor, assistant manager at Fortnum and Mason, said.

At Harrods, the Food Hall will not be putting on its annual display of early season victims until today. Even that is a little early for those who have been watching the moors. There, the word is that things will not really be ready for a few weeks yet.

Mr. Donald Sproat, who owns Sproats, an Islington mecca for grouse buyers for 85 years, said: "There is no shooting to speak of, and we do not expect much for at least 10 days."

Even Gleneagles Hotel, a pleasant establishment in Perthshire where only the golfers can be expected to outnumber the grouse, is hardly marking the Twelfth. "We are not doing anything special this year, and the reports are there will be a poor season."

Hard winters, wet springs and rampant grouse ticks have severely reduced the bird population over the past couple of years. Even shoot saboteurs, who rose at the crack of dawn yesterday to warn the likely prey, found few grouse willing to pause and listen to the message.

It works

"Beating the vegetation seems to work," Mr. David Wetton, secretary of the Hunt Saboteurs Association, said.

"It makes the birds realise something is going on, and warns them to go a bit carefully."

Perhaps it was this extra care, but the pickings on London's restaurant tables was somewhat thin. Most of the capital's eating houses ignored the special nature of the day, but Mr. Alan Peck, manager of the Onslow Arms Inn in West Clandon, near Guildford, claimed a Home Counties victory. With the aid of a turbojet helicopter, he returned with grouse for lunch.

It seemed he was some time ahead of the Cafe Royal in Regent Street. Here, diners are being offered the birds as part of a £15-a-head grouse luncheons.

Unionists angry at IRA protest

BY STEWART DALBY IN BELFAST

UNIONIST politicians in Northern Ireland yesterday were angry that the Government allowed the IRA to hold a week-end demonstration and make a show of arms in protest at the presence of British troops in the province.

The Rev. Ian Paisley, leader of the Democratic Unionist Party, claimed that the Northern Ireland Office had "surrendered this part of Ulster to the IRA." He was going to ask the Government to hold an inquiry into the protest. By "this part of Ulster," he meant West Belfast in general, and the Falls Road in particular.

On Sunday, the Provisional Sinn Fein, the political arm of the Provisional IRA, held a march and a rally in Casement Park. About 5,000 Roman Catholics marched to the park, where they heard speeches from, among others, Mr. David O'Connell, a former IRA "chief of staff." He is now vice-president of the Provisional Sinn Fein.

The march was preceded by four masked gunmen and one woman who made a show of arms in side streets off the Falls Road. The gunmen were dressed in green battle jackets and the traditional black balaclava helmets of the IRA. The woman, who was not masked, has not been identified. She was dressed in a black beret and black tunic.

Photographs of these five were featured in the British Press and started an argument among Loyalist politicians.

Bus operators to warn Fowler on 'free-for-all'

BY LYNTON McLAIN

REPRESENTATIVES of Britain's bus and coach operators are to meet Mr. Norman Fowler, Transport Minister today in the first talks on Government plans for scrapping part of the licensing system and for allowing more free enterprise competition for existing services.

Mr. Denis Quinn, the director-general of the Confederation of British Road Passenger Transport, is expected to warn the Government that a "free-for-all" will result in services that make only marginal profits being abandoned.

Mr. Fowler announced his proposals for easing the restrictions on bus and coach services last week and the measures are expected to be included in a new Transport Bill this autumn.

The operators had for years wanted a "thorough investigation" of the licensing system, Mr. Quinn said yesterday.

A nine-point plan had been prepared by the operators for "radical changes in the law." This would simplify, but not abandon, licensing, relax fare-fixing procedures, and cut bureaucracy. But Mr. Fowler had not met the private operators, in spite of repeated requests, before he drafted his policy document, Mr. Quinn said.

The confederation said yesterday that the low rates that may result from more competition in bus services may be insufficient to maintain the capital spending of new operators.

Mr. Fowler has said he will keep licensing for the local stage carriage networks, which account for more than 90 per cent of all licensed routes. This protection would be kept "where this is in the public interest," he said last week.

Controls on bus and coach operations would be relaxed in the first place in a number of "trial areas" in line with measures brought in by the last Government.

UK's first European by-election next month

BY ELINOR GOODMAN, LOBBY STAFF

BRITAIN'S FIRST European by-election is to be held in South-west London on September 20 with Mr. Christopher Mayhew, the former Labour Defence Minister, possibly standing as the Liberal candidate.

The by-election, only four months after the elections to the European Parliament, is being held because the Conservative victor, Miss Shelagh Roberts, had to stand down after her candidacy was declared invalid. Her membership of a government body meant she had inadvertently infringed the electoral rules.

Miss Roberts, a GLC member, is expected to stand as Tory candidate again. Her Labour opponent will probably be Mr. Tony Hart, who ran a poor second in June.

The Liberals trailed in third place at the time but the party apparently believes it could do better with a nationally-known candidate. Mr. David Steel, the Liberal leader, would apparently like Mr. Mayhew to stand.

● NEWS ANALYSIS — CAR SPARES BY DAVID CHURCHILL

Quandary over Price Commission report

[T]HE DEPARTMENT of Trade [i]s in a quandary over the Price [C]ommission report on the [£]1.5bn a year car spares market [i]n the UK.

The report was completed [l]ast May and would normally [h]ave been published within a [m]onth. The commission [p]rivately considers that it makes [t]he toughest recommendation of [a]ny report in the 60 published [d]uring its two years of opera[t]ion. So far the Department of [T]rade has refused to publish it.

The report calls for the [a]bandoning of the exclusive [s]upply of car spares through the [m]ajor car companies' franchised [d]ealers. It did not recommend this for the usual reason of too high prices—which, incident[a]lly, it did find in some areas—but because of the need for UK manufacturers to have greater freedom to supply car spares for the rising tide of imported cars.

This is where the Department of Trade's quandary begins. On the one hand, the Government is committed to a tougher competition policy; on the other, it has been presented with a report from the Price Commission which clearly states that improved competition is needed in the car spares market for the long-term benefit of the industry and the balance of payments.

Should the Department, there[f]ore, accept the commission's findings and hold talks with the car industry to bring about extensive changes in spare parts distribution? Or should it wait until the revived Monopolies Commission can study the subject under the new powers granted it by the Competition Bill?

The Government will have to wait until at least next autumn for a Monopolies Commission report. This may be too late to enable UK components manufacturers to compete effectively for the spares market for foreign cars.

Not surprisingly, the Government's approach so far has been to sit on the report. But it may decide shortly that the report should be given a public airing without any commitment.

Time is not on the Government's side. The report points out that UK production of cars has recently declined while the volume of imported cars has led to an overall increase in new registrations. In 1978 foreign cars accounted for about half of new registrations and a quarter of the total number of cars on the road.

There is still a substantial, but declining, net balance of payments surplus in favour of the UK for car spares. But the report makes clear its belief that increasing penetration of foreign cars in the UK market will lead to a growing share of the UK spares market being gained by foreign vehicle assemblers and component manufacturers.

Foreign component manufacturers do not at present have a large share of the market, but some of them have markedly increased their sales over the past few years.

The UK spares market is dominated by the franchise system operated by the major car manufacturers, BL, Ford, Talbot (Chrysler) and Vauxhall. Although the car manufacturers only produce about 20 per cent of components for later sale themselves, they take another 30 per cent of the output from the numerous small components manufacturers.

Franchised

Thus 50 per cent of car spares are sold through dealers franchised to sell only spare parts provided by the car manufacturer which owns the franchise.

The balance of car spares are sold through non-franchised garages (25 per cent of sales), specialist accessory shops (12 per cent); fitting centres (10 per cent); and filling stations (3 per cent).

The advantage of the franchise system for car manufacturers—and importers as well—is that it enables the manufacturer to provide an attractive total package of new car, replacement parts, and service. For the franchisee it means an assured minimum volume of business, assistance with stock control, and technical back-up. And for the motorist it also ensures that an adequate level of service is readily available.

But the Price Commission concluded that the degree of exclusivity was undesirable because it blunted competition and limited the access of UK-produced components to the spares market for imported cars.

The commission saw no compelling reason why exclusivity should be maintained outside vehicle warranty. Within warranty, it suggested that exclusivity should be removed for replacement parts which are identical to those supplied as spares by the car manufacturer.

The commission believes the only way that the challenge of foreign car spares to the existing UK components industry is to be met is if UK producers are able to distribute parts for foreign cars through the established dealer network. If the exclusivity of UK car manufacturers' franchised outlets was brought to an end, then similar exclusive outlets for foreign car parts could also be abolished.

Apart from the question of access to the market, the report also draws two other main conclusions. One is that recommended prices, especially for fast moving items such as oil filters and sparking plugs, are at too high a level.

A sparking plug, for example, sold at 67p in garages could be bought for around 47p in an accessory shop. But the commission also found prices below 40p in some shops.

The commission suggests that the Secretary of State should hold talks with manufacturers and retailers so that such prices are set at more reasonable levels.

The report says that unless progress is made in reducing industrial disruption, the effects are likely to outweigh by far the other benefits which the components industry might secure in the UK and overseas markets. The commission agrees with the industry's view that the main method for improving industrial relations must come from managemement, employees, and unions at company and plant level.

The report also suggests that this should be reinforced by tripartite efforts at top level, involving Government and representatives of the managements and unions concerned.

Fife cracker could lead to 2,000 jobs

FINANCIAL TIMES REPORTER

UP TO 2.000 permanent jobs could be created at Mossmorran. Fife, by plastics manufacturers setting up plants to use ethylene produced by the planned ethane cracker, Mr. Jay Dalgetty, a director of Esso Chemicals, said yesterday.

A 430-acre site earmarked for downstream chemical developments is included in the Government planning consent for the cracker ad Shell-Esso's proposed gas liquids separation plant.

Mr. Dalgetty said he could foresee three plastics manufacturers establishing factories there to use the 500,000 tonnes of ethylene produced annually by the cracker.

The cracker would employ 350 people and the separation plant another 120.

Esso Chemicals has decided in principle to build the cracker, but Mr. Dalgety said the company would have to be sure it could meet all the planning conditions and that it would qualify for a Government development grant of about £60m.

Local authorities are keen to see Esso Chemicals committed to the cracker project so other companies will be encouraged to move in. Mossmorran, a former mining area. has 19 per cent unemployment.

Dr. Jack Taylor. Shell's general manager, said that propaganda by the Aberdour and Dalgety Bay Action Group —which has been opposing the project and may start legal proceedings to try to stop it—had distorted the facts, been misleading and unnecessarily alarming to people living in the area.

The group had claimed that the planned marine terminal at Braefoot Bay on the Firth of Forth would be the largest in the world. In fact there were five or six larger terminals, one in Algeria seven times larger and another in Pennsylvania twice as large.

The 1977 fire which destroyed Shell's NGL plant in Qatar, killing a number of people, was also highlighted.

However, it was not true that the Qatar plant was a prototype for Mossmorran, Dr. Taylor said. In Qatar liquid propane had been stored in single containment tanks, whereas at Mossmorran safer double containment tanks would be used.

Exaggeration

The action group had claimed that people up to a mile away from the Qatar plant had been killed. But this was an exaggeration. No one outside the perimeter fence of the plant had died.

"The plant we instal will be safe, safely operated and will not consitute any unacceptable hazard to employees or the people living in the area," said Dr. Taylor.

● From Oslo, Reuter reported that production of oil and natural gas has started in the Eldfisk Field inthe Norwegian section of the North Sea.

Initial production is 75,000 barrels of oil and 120m cubic feet of gas a day, gradually increasing to 225,000 barrels of oil and 435m cubic feet of gas during peak production expected to be reached in 1981.

BP plans onshore well in Dorset

By Ray Dafter, Energy Editor

BRITISH PETROLEUM is planning a new exploration well in Dorset in the hope of finding an oil reservoir beneath its Kimmeridge Field.

Its hopes have been raised by the discovery of a sizeable oil-bearing structure beneath the British Gas Corporation/BP group's Wytch Farm field, 10 miles away near Corfe Castle.

BP Petroleum Development, BP's exploration and production subsidiary, said yesterday that it would shortly apply to Purbeck District Council, Dorset, for planning permission to use two acres of land at Steeple to drill the new Kimmeridge well.

BP has been producing oil from Kimmeridge since 1959. The field's single well is currently yielding about 350 barrels of crude oil a day.

In the past 20 years, a little over 100,000 barrels have been extracted from Kimmeridge. One barrel contains 35 imperial gallons of crude oil. To put that total output into perspective, British Petroleum's Forties Field in the North Sea yields five times that amount —500,000 barrels—a day.

Concessions

Dorset has become the centre of much of Britain's onshore oil activity. Wytch Farm is now yielding about 1,000 barrels of oil daily. When the lower reservoir is appraised and exploited, the output could build up to between 15,000 and 20,000 b/d. Evidence from new drilling at Wytch Farm suggests that the field could be comparable in size with some of the smaller North Sea fields.

The Department of Energy recently granted exploration licences to a number of companies to encourage the further appraisal of potential onshore oil fields.

The concessions, which relate only to seismic work and the drilling of wells to a maximum of 350 metres, include 925 sq. km. in Devon and Dorset to the west of Wytch Farm.

● BP, as operator, and British National Oil Corporation have been formally awarded an offshore drilling licence on block 208/15, north of the Shetland Islands.

Cost of starting a farm increases by a half in a year

BY CHRISTOPHER PARKES

THE COST of starting up in farming in Britain has leapt by a half in the past 12 months, according to a study from the Manchester University Department of Agricultural Economics.

Without compensatory increases in efficiency and incomes, there must be "grave concern" about the future of the land tenure system and the structure of UK agriculture, the study concludes.

A new farmer setting himself up on a 50 hectare (125 acre), owner-occupied holding will need to find £300,000 compared with £200,000 last year and a mere £33,000 in 1971.

To finance this investment and earn a return of about 5 per cent, he needs an income about 50 per cent higher than last year, "*which was not a bad* year for farming."

The farmers of the future, as in the past, are likely to be mainly the sons of farmers, especially where owner-occupiers have large capital resources.

But even these men, given a flying start, will find the going hard, says the study.

"The level of efficiency and of income earned by the next generation of farmers will have to be much higher than that of their fathers unless we are to experience yet another major change in our tenurial system and in the size structure of farms," it says.

The gross rate of return on investment in land has fallen sharply in the past seven years. The return on total capital invested in owner-occupied holdings has fallen to less than 5 per cent. But the study does not view this as being of great concern to existing owner-occupiers.

"What they have lost by way of a low rate of annual return has been made up by the increase in the value of their land, which has more than kept pace with inflation.

"Many find themselves richer individuals today than they had ever expected to be," says the study.

● *Farm Management Survey 1976-77 and 1977-78, Bulletin 171/FMS50. Price: £2.50.*

No second Gatwick runway

THE BRITISH Airports Authority has legally pledged not to build a second main runway at Gatwick Airport within the next 40 years.

Under an agreement sealed yesterday with West Sussex Council, the authority can develop the existing taxi-way as an emergency runway to be used *only when the main runway* is out of operation.

In return, the council has agreed not to pursue the issue of a second runway when the forthcoming public planning inquiry is held into the authority's plans *for a second* passenger terminal at Gatwick, designed to raise capacity from the present 16m to 25m passengers a year.

Mr. Don Turner, BAA's planning director, said the agreement was a significant step forward in the development of Gatwick.

"The BAA has said consistently that it has no plans to build a second runway at Gatwick," said Mr. Turner. "By our willingness to be legally bound in this way, we have demonstrated that we mean what we said."

Sealink to raise fares on services to Ireland

BY LYNTON McLAIN

SEALINK UK, owned by British Rail, is to raise fares on its services to the Irish Republic by almost 16 per cent from September 9 to counter a "continued rise in operating costs."

At the same time a 50p vehicle surcharge on a single journey is to be introduced on services to the Isle of Wight.

The second class single passenger fare on the Holyhead to Dun Laoghaire route and the one-class single fare between Fishguard and Rosslare will be £11, a rise of almost 16 per cent. The first class fare on the Holyhead route will also go up by almost 16 per cent to £12.75.

Rates for accompanied vehicles to Ireland will rise by 15 per cent and the surcharge introduced from June 29 this year will be withdrawn.

There are no immediate plans for fare increases on the Heysham to the Isle of Man service operated by Manx Line —in which Sealink has a 60 per cent share—but Sealink is reviewing the prices.

The service started full operations this summer in competition with the 149-year-old Isle of Man Steam Packet Company. Sealink is expected to wait for the full returns from the summer operations before deciding on a fares increase.

Mussel extract 'eases arthritis'

CLINICAL TRIALS in Britain have confirmed the beneficial effects of treating arthritis with extracts from the green-lipped mussel, grown off New Zealand, Mr. John Croft, a marine scientist, said yesterday.

Dr. Robin Gibson, a Glasgow physician who has studied the mussel extract for several years, confirmed it had anti-inflammatory properties. Of 150 patients given the extract, 65 per cent of those suffering rheumatoid arthritis, and 40 per cent of those with osteo arthritis had improved.

Two pints of high gloss, please!

OTHER MEN'S JOBS

CHRISTOPHER PARKES ON THE ANCIENT ART OF PUB-SIGN WRITING

GOOD KING RICHARD II is remembered for many exploits of varying degrees of bloodiness and rectitude. It is not commonly recognised, however, that he could also lay claim to the title Father of British Advertising.

In 1393 he ordered that every publican in his kingdom should display a sign "otherwise he shall forfeit his ale."

Hostelries were promptly equipped and the lead rapidly followed by other tradesmen. A right royal battle developed over advertising space in England's towns. Signs grew bigger and more extravagant and many stretched fully across the roadways on gallows trees.

Unwary horsemen were in constant danger of being unseated or brained by the overhead clutter. Little was done in the way of control until the early 18th century, after two women were killed *in Fleet Street when the pulling* power of one publican's billboard caused a pub to collapse into the road.

Now *history* has almost turned completely back on itself. With few exceptions the only tradesmen advertising through traditional hanging *signs are the publicans, with* whom the technique began. Even this business has been invaded in some parts of Britain by the plastic and neon modernists.

The West Country, however, is sticking by its signs. Whitbread Flowers employs a full-time team of artists at Cheltenham to maintain, restore and replace its everyman's gallery of more than 1,000 pub signs.

Chief artist Mike Hawkes and *former Chrysler management* trainee Nick Robertson, soon to be joined by a third man, are kept prodigiously busy at their special angle-iron easels in a process which somewhat resembles the painting of the Forth Bridge.

A hand-painted sign will last *between three and 15 years* before the weather peels off the image, giving the team a workload of 120 paintings a year—240 allowing for the need to paint both sides. A simple Red Lion can be knocked off in a couple of days, but more complex designs, including human figures and animals, can take up to two weeks. Over all, the cycle takes about eight years to complete.

As in most jobs, experience has uncovered some useful short *cuts. A sign in fair condition,* for example, can be renovated fairly briskly by simply rubbing it down and painting over the weather-worn image.

During my visit Nick Robertson was saving a few hours and giving a new aspect to The Albion, a 19th century square-rigged warship.

By changing the direction of the wind without tampering with history or technical details, Nick had repainted the sails billowing outwards towards the viewer and thus saved himself the chore of painting endless skeins of rigging and tackle.

Bold detail is the key to successful sign painting. Too much fine work in a picture to be scanned at an awkward angle, from a distance and usually only briefly, can tend to blur the message.

Mike Hawkes said the basic formula of the sign painter—a blend of academic realism and expected folksiness — eludes many learners. It had taken him three months to find a new employee with the experience and necessary promise.

The artists have to accustom themselves to working in a special medium. The brushes may be bristle and sable as in any ordinary studio but the canvas is a 3 ft by 4 ft slab of aluminium and the paint is household gloss, perfect for the parlour woodwork but tricky on an artist's palette.

"It's like painting with treacle," said Nick. "And the consistency can vary with the weather. On a warm, sunny day the paint can quickly become tacky and intractable. At other times it can run."

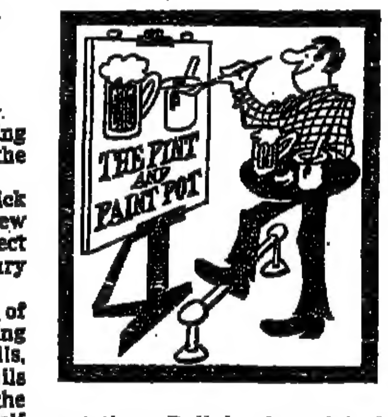
Mike, with 18 years' experience, says: "I still get 'curtains' all over the place."

The finished products, however, bear no evidence of these difficulties. Nor, to the casual observer, do they convey any notion of the amount of background work undertaken.

Mike, working on a Welsh pub sign, riffled through a pile of references to Owen, otherwise Owain Glendower, variously Glyndower, Glynwr and Glendwr. Described according to source as a bandit, hero, buccaneer, and scholar, the Welsh champion will be diplomatically represented on Mike's sign, titled in Welsh, as "a learned warrior."

But the research findings are not always followed strictly. I was surprised to learn, for example, that Lord Nelson's bad eye was quite as bright *and healthy-looking as his good* one. As a result he seldom if ever wore an eyepatch. But the Lord Nelson pub simply would not be the same with a plain-faced sailor in a funny hat.

In many cases that Hereford glowering down at you outside The Bull is a hopeless misrepresentation. Bull in the original pub sign language was a bulla (latin) or seal, usually from a nearby monastery or collegiate body as in a Papal Bull.



Nothing, it seems, is what it seems.

Consider Caton, a trustworthy English knight who fought with admirable consistency in the endless wars against France. Subsequently dubbed Caton le Fidèle, he lives on outside countless modern pubs as a capering ginger tom scraping a violin.

Bacchanales has become Bag O' Nails. And heaven knows what the Puritan administration would make of the evolution of one of their favourite mottoes — "God encompasses us"—into The Goat and Compasses.

From the educational to the entertaining and downright gory, the studio references present an extraordinary catalogue. Naked ladies (Eves and Ladies Godiva) culled from *magazine advertisements mingle* with heraldic mysteries.

Villains sit happily with heroes like Rattlebone. Badly wounded in battle and finding his sword arm hampered by his trailing innards, legend says he held his entrails in their proper place with a stone roofing tile while continuing the cut and thrust.

Back in the everyday world the Whitbread artists admit that while they love their work—"no comparable jobs in the *commercial field*"—there are moments of tedium and frustration.

One of the least popular tasks is doing up the double-sided sign for a pub called the Twelve Bells. And sometimes no amount of delving into history books, pub deeds and parish registers will disclose the true significance of a pub's name.

If by chance any reader can throw any light on the Child Wickham in Worcestershire, Mr. Hawkes would be glad of the help. Send any information to us. The studio is too busy for visitors and in any case it is extremely difficult to find. There does not appear to be a number on the door and there certainly is no sign.

Tomorrow. Butterfly business

Nick Robertson and Mike Hughes in their Cheltenham studio. *Hugh Routledge*

Industrial action threat to provincial courts

BY GARETH GRIFFITHS, LABOUR STAFF

MAGISTRATES' COURTS throughout the country could be severely hit by proposed industrial action by court staff in ten days.

The Association of Magisterial Officers, which represents 4,500 court staff outside London, has given the local authority employers a deadline of August 23 for a fresh offer. The association wants a pay deal worth 20 to 25 per cent and a restructuring of salaries.

Mr. T. Gwyn Davies, chairman of the staff side in the joint negotiating council, said unless there was an improved offer court staff would take industrial action. This would include lightning strikes, an overtime ban, a work to rule and a withdrawal of good will.

Services that could be hit include the collection of fines, the issuing of summonses, rural and special weekend courts, and the supervision of maintenance payments. The referral of cases to higher courts could also be delayed.

The association was earlier offered 9.4 per cent new money, another 2.6 per cent from restructuring and a reference to the Clegg comparability commission, to be implemented in January 1980.

Proposal

It *now plans to proposed* a new deal. This is understood to include references to some sort of staging. The association would like the reference to Clegg to continue and wants a move on staff restructing, for which it has been pressing since 1971.

The planned indefinite strike by London court staff was still on, said Mr. Bernard Studd, assistant secretary of the Society of Civil and Public Servants, after talks at the Home Office yesterday between representatives of the society and the Association fo Civil and Public Servants, and senior officials. He described the talks as useful.

About 500 staff in 18 inner London courts are affected. A meeting of the staff on Friday, following the collapse of pay talks with the committee of London magistrates, decided on the strike. Both unions want parity with recent Civil Service awards worth 20 to 30 per cent.

Further talks at the Home Office are planned for later in the week, Mr. Studd said. The Home Office pays 80 per cent of the costs of magistrates' courts' administration, but is reluctant to intervene directly in pay negotiations.

The deal offered to the London staff is 9.4 per cent new money and a reference to the Clegg commission.

Union warns of strike in gas industry

WHITE-COLLAR workers in the gas industry will be recommended by their union, the National and Local Government *Officers' Association (NALGO)* to take industrial action if the employers fail to improve their offer, NALGO said yesterday.

Pay talks covering 55,000 white-collar workers in the industry had broken down, Mr. Dave Stirzaker, trade union side secretary of the National Joint Council for Gas Staff, said.

Substantial pay increases to redress the erosion of living standards and establish a minimum wage of £65 a week have been claimed. British Gas has replied with an offer of around 14 per cent, the union said.

A delegate meeting has been called on August 29 when NALGO's National Gas Committee will recommend industrial action unless the employers improve their offer.

ACAS move in North Sea catering dispute

By Our Labour Staff

EMPLOYERS and unions involved in the North Sea offshore caterers dispute agreed yesterday to a meeting in Aberdeen this week under the auspices of the Advisory, Conciliation and Arbitration Service.

The dispute, now in its third week has affected the supply of food and materials to between 20 and 30 rigs and platforms.

Although it has disrupted some forward building work because members of the construction section of the Amalgamated Union of Engineering Workers have been refusing to cross picket lines, the dispute does not appear to have disrupted oil production.

The Transport and General Workers Union and the National Union of Seamen, which represents the majority of the 1,000 catering workers, are claiming a minimum rate of £600 for a two week on, two week off period. The catering companies, which are on contract to the oil companies have offered £440.

Talbot protest called off

WHAT WAS to have been a mass protest at Talbot's delay over a 20 per cent pay claim *was called off yesterday when* fewer than 100 strikers among the 5,000 turned up.

The strike has stopped supplies of engines and other parts to the Linwood, Scotland, plant which makes Sunbeams and Avengers. Lay-offs start tomorrow. By the end of the week all 7,000 workers will be idle, ending production of more than 3,000 cars a week.

The company has stood firm on its original offer of 5½ per cent. It is adamant that this is all it can afford in the light of a forecast £30m loss this financial year, but has said an incentive scheme could yield another £5 a week.

Caution over talks on ITV black-out

BY GARETH GRIFFITHS, LABOUR STAFF

THERE WAS caution from both sides in the Independent Television dispute yesterday about the likely outcome of talks today at the Advisory, Conciliation and Arbitration Service.

Mr. Jack O'Connor, ITV officer of the Association of Cinematograph, Television and Allied Technicians, said the unions would attend the talks with Mr. Andy Kerr, the chief ACAS conciliation officer, with an open mind. But he was doubtful over company claims about the size of the latest pay offer.

The Independent Television Companies' Association has costed the pay offer as worth up to 23 per cent. The 15 per cent basic offer is topped up by fringe benefits and supplementaries.

The ACTT television committee, which met all day yesterday, said it thought the offer was only worth 16½ per cent. Mr. O'Connor said he would be prepared to start serious negotiations if the offer was ni the region of 23 per cent.

There were shop stewards meetings yesterday of both the *Electrical and Plumbing Trades* Union and the National Association of Theatrical, Television and Kine Employees. The ACTT plans to hold a national shop stewards meeting on Thursday.

An ITCA spokesman said yesterday the companies were standing firm by the 15 per cent offer. ITCA emphasised yesterday that the meeting at ACAS was simply to put Mr. Kerr in the picture. It was not the start of pay negotiations.

Southern Television is likely to have to come to a local agreement with the National Union of Journalists over the suspension last week of 30 journalists.

The current dispute at ITV has meant talks betwen ITCA and the NUJ over its pay negotiations have been cancelled. The NUJ, which has 400 members in independent television, wants a 2½ year deal with threshold payments and restructuring.

Negotiators meet in bid to end telephone dispute

BY NICK GARNETT AND JOHN LLOYD

POST OFFICE negotiators for the Society of Civil and Public Servants are due to meet today to discuss improved pay proposals made last week. They will try to bring an end to the dispute with sections of the corporation's telecommunications staff.

The Post Office said yesterday that the estimated loss to profit from the dispute in the current financial year was now £90m, up from an estimated £80m last month.

The new proposals and any further improvements the negotiators might seek are expected to be put to the union's Post Office group executive next Monday.

Branch meetings of the society's 6,000 telecommunications members have also been provisionally fixed for next week. If these meetings vote on a recommendation from the executive, the result will probably be known by a week on Friday.

The 37,000 Post Office members of the Civil and Public Services Association who have been involved in the same dispute are still voting on the offer.

Industrial action by members of both unions has halted computer telephone billing, disrupted the introduction of new engineering equipment, and hit other services, including the updating of telephone directories.

The revised proposals from the Post Office to the society do not alter the initial money offer.

This provides for basic rate increases of 9 per cent, with 5 to 7 per cent for grade restructuring, 2 per cent for productivity and 2½ per cent for changing the settlement date.

The new proposals, however, include what the union believes to be an improved commitment on future grade restructuring, which affects differentials.

Plessey workers vote to continue pay strike

AN OFFICIAL strike of 600 engineers and electronic workers at the Plessey telecommunications plant in Edge Lane, Liverpool, is to continue into its fourth week.

About half the men, members of the technical branch of the Association of Scientific, Technical and Managerial Staffs, attended a mass meeting outside the factory yesterday and voted six to one to stay out.

The decision means that 500 men who have been laid off at the company's electronics plant at Huyton will not be recalled. The 3,000 hourly-paid men at Edge Lane are still working but were absent yesterday because of the 24 hour national strike of engineering workers.

The association is claiming pay rises of 20 per cent and has rejected a 10 per cent offer.

Some of the men opposed to staying out warned that the Edge Lane plant had lost £1m last year and they could be pricing themselves out of a job.

New building industry council will set terms for 250,000

BY GARETH GRIFFITHS, LABOUR STAFF

A NEW building and allied trades joint industrial council, which wil lsettle terms and conditions for 20,000 companies and an estimated 250,000 people, is to hold its first meeting at the end of the month.

The new council is to meet on August 29 and will set up a regional framework in September. The move reflects disagreement among employers and the rivalry between the *Transport and General Workers* Union and the Union of Construction, Allied Trades and Technicians.

The Federation of Master Builders announced the first meeting yesterday. The federation and the TGWU have been the main movers in setting up the council. The federation had not been directly represented on the National Joint Council for the Building Industry and its claim to be represented on the council had been rejected.

The changes in the building industry's negotiating structure wil laffect an estimated half of the industry's workforce. The Transport and General is the second largest union in building.

Mr. Bill Hilton, national director of the Federation of Master Builders and Mr. George Henderson, national secretary of the TGWU construction branch have worked out the final details of the new joint council, the federation

Until now pay in the industry has been fixed nationally by unions and the Federation of Building Trades Employers on the industry's national joint council. The Building Decorators Association and the Federated Association of Specialists and Sub Contractors will also sit on the new council.

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APPOINTMENTS

Executive changes at Philips Data

Philips Industries has appointed Mr. Brian Manley as managing director of PHILIPS DATA SYSTEMS, the computer division of the Philips group in the UK. The appointment takes effect on September 1, and Mr. Manley remains managing director of Pye TMC. Dr. Richard Horsnell, who has been managing director of Philips Data Systems since 1976, is to have a senior marketing position with the Data Systems Product Division in Apeldoorn, The Netherlands, from that date. At the beginning of October, Mr. Tony Nevison, sales director of Philips Data Systems, will become marketing director responsible for sub-systems at Philips Data Systems, while Mr. Geoff Hoddinott, returning to the UK from being managing director of Philips Data Systems in Canada, will be marketing director in charge of stand-alone systems. In addition, Mr. Manley will lead a team concerned with planning the concentration of Philips' marketing activities in the office electronics field.

★

THE LONDON LIFE ASSOCIATION has made the following appointments. Mr. E. Roy Avery, new business manager, to be an assistant general manager and Mr. Frank A. Honeysett, planning manager, to be an assistant general manager.

★

Mr. Iain Macleod has been appointed manager of BUTLER TILL, sterling money brokers, from September 1.

★

Dr. W. P. L. Wilby is to join the Board of NEXOS OFFICE SYSTEMS as development director. He will be responsible for the development of the office systems architecture and for the integration of the products provided by Nexos key suppliers into a comprehensive system.

★

Mr. Donald R. Saunders has joined the Board of DUPLE INTERNATIONAL as a non-executive director with specific responsibility for advising the Board on corporate strategy.

★

Mr. George F. Sommerville has resigned as a director of LAPORTE INDUSTRIES (HOLDINGS) for health reasons and he has ceased to be managing director and chief executive of the group. For a temporary period the chairman will carry out the additional duties and responsibilities of managing director.

★

Mr. Billy B. Ross has been elected vice-president and controller of the EL PASO COMPANY. He will be responsible for the accounting, budgeting and forecasting functions.

★

The Home Secretary and the Secretary of State for Scotland have appointed Sir Richard Denby as an additional member of the CRIMINAL INJURIES COMPENSATION BOARD. Sir Richard is a past president of the Law Society.

★

Mr. A. E. Williams has been appointed a managing director of ALEXANDER HOWDEN INSURANCE BROKERS and chief executive officer of the marine reinsurance division.

★

Mr. Richard M. Robinow has joined the Board of EVA INDUSTRIES as a non-executive director. Mr. F. A. Yates has become a special director and continues as managing director of the group's agricultural hand tool subsidiary, the Chillington Tool Company of Wolverhampton.

★

Mr. Graham P. Davies has been appointed deputy chairman of ERITH AND CO and continues as managing director.

★

The Economic Forestry Group has appointed Mr. John A. Franklin to the Board of ECONOMIC FORESTRY (HOLDINGS).

★

Mr. Michael Lowe has been appointed director of operations and Mr. David Kent manager of engineering, of JERROLD INTERNATIONAL.

★

Mr. John R. Webb has been appointed olefins vice-president of ESSOCHEM EUROPE INC., the Brussels-based company co-ordinating Exxon's chemicals activities in Europe, Africa and the Middle East. He succeeds Dr. J. S. Walker, who has been named general manager of Exxon Chemical Company's central engineering division at Florham Park, New Jersey. Mr. Horst Assmann, managing director of Esso Chemie GmbH, Koln, has succeeded Mr. Webb as aromatics vice-president.

★

Mr. R. F. Limage and Mr. P. M. Johnson have been appointed directors of A. L. STURGE (MANAGEMENT) from tomorrow.

★

Mr. D. J. Lexman, general manager, life, of the COMMERCIAL UNION ASSURANCE COMPANY, is to retire. The position of general manager, life, excluding the life operations of the company's UK division, will be taken over by Mr. A. de Hulin, general manager, international affairs.

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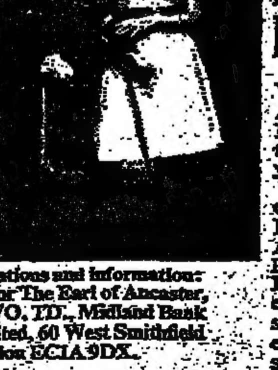

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Ian Hargreaves looks at how Svenska Varv and its British counterpart, which are products of quite different political circumstances, compare two years after nationalisation

Swedish shipbuilders in the same boat as Britain's

IN THE two years since its nationalisation British Shipbuilders has lost £153m: but that pales into insignificance compared with the massive costs of sorting out Sweden's shipbuilding industry, nationalised at a similar time.

Although they may have been nationalised at the same time, Svenska Varv and British Shipbuilders were the product of quite different political circumstances. But for both corporations the two-year period has been a continuous struggle between political sensibilities, the desire of a new management to manage and, the most decisive factor of all, the backcloth of the worst world market for shipbuilding for at least half a century.

A study of events in the industry in both countries is illustrative of alternative approaches to making state ownership work, although, as would be expected, most of the differences reflect more basic national characteristics.

For the Swedish Government, the creation of Svenska Varv was an historical accident, made inevitable only by the slump. The corporation was formed under the country's first non-socialist Government for 44 years, although it is true that Sweden's centre party is well to the left of the kind of Labour Government which was led by James Callaghan.

Earlier crises

As in Britain, some Swedish yards had already been nationalised during earlier financial crises. Initially Svenska Varv was charged with bringing together the two main state-owned yards with the state's new interests in the Gotaverken yards of Gothenburg, which before 1977 were controlled by Saleninvent, one of the country's principle shipowners. Svenska Varv's task was to "control and co-ordinate total group operations and see that the structural problems within the group were solved in a rational manner."

Two important points were already evident by this stage: first, the Government was aware from the outset that one purpose of nationalisation was to restructure the industry. In Britain, the prime motivation was political dogma and a belief that state ownership would tidy up and regenerate an ailing industry. Secondly and equally important, ownership of Sweden's shipyards happened to be closely tied to its major shipping companies.

This latter fact enabled the Swedes to avoid the inter-departmental squabbling between shipping and shipbuilding ministries (Trade and Industry), which was such a prominent feature of the first year of state-ownership in Britain.

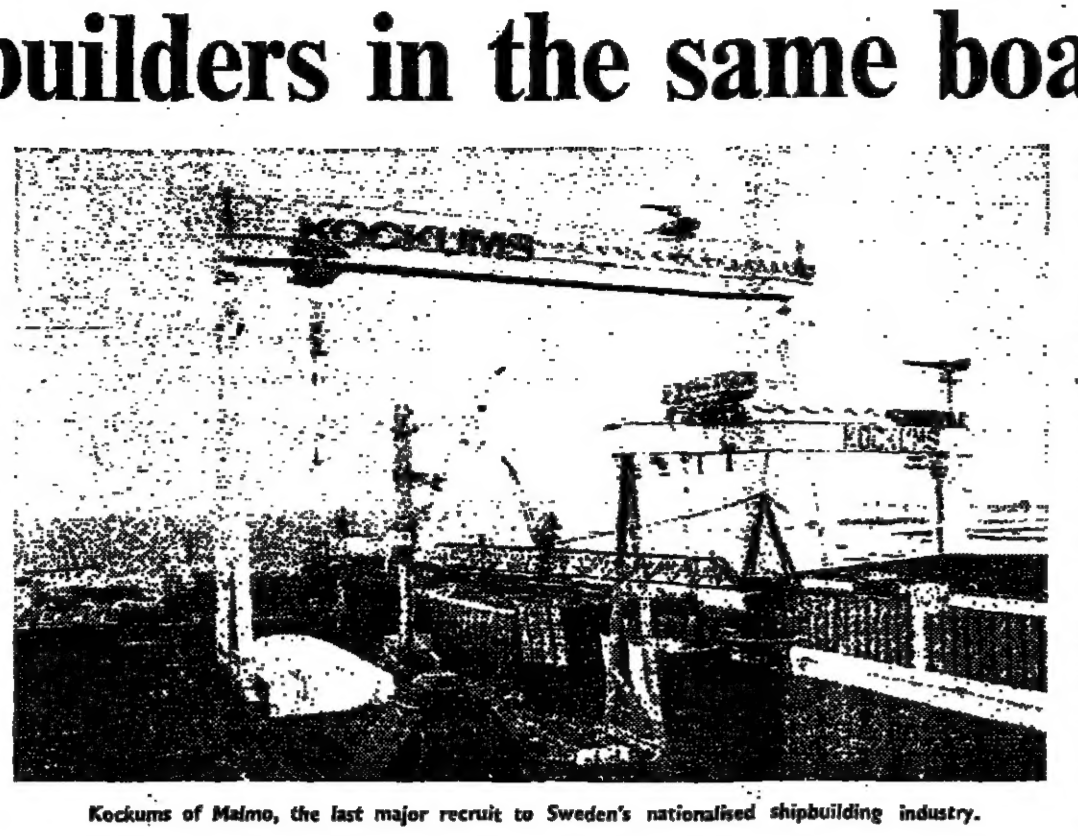
More recently, the connection has enabled Sweden to move towards a "total maritime solution," which may end up with the state dominating the shipping industry of the country as well as its shipbuilding. Something which will remain inconceivable in this country, where shipowners believe the acceptance of a single handout from the Callaghan Government would have been the equivalent to cracking a bottle of champagne across the bows of the first Wedgwood Benn Line ship.

Sweden's state ownership of the shipyards was both reluctant and gradual. Indeed, it was only concluded a few weeks ago, when the last remaining major shipbuilder in the country, Kockums of Malmo, joined Svenska Varv after, first, a spirited resistance and then a spirited negotiation for the best possible terms.

But this does not mean that nationalisation has not been a confident process. The yards taken by Svenska Varv were acquired more or less by consent and the board of the parent corporation is still composed almost entirely of former leaders of the old companies, with some recent additions from non-marine industries.

This is in strong contrast to British Shipbuilders, where a rearguard action delayed nationalisation by two years and where the Government would not, even as the crisis loomed, cut its losses and nationalise only part of the industry. British Shipbuilders' board has only one full-time executive from the shipbuilding industry.

The greater confidence both within Svenska Varv and between government and corporation has given the Swedes the advantage of a fast start. This was essential, because the country's yards (which ran second only to Japan in order intake in the late 1960s) were equipped for mass production of big tankers, which was the first section of the industry to feel the slump. Without prompt action, the Swedish yards could have been annihilated by the end of 1978, whereas the more diverse origins and order book of British Shipbuilders were still giving it greater staying power.



Kockums of Malmo, the last major recruit to Sweden's nationalised shipbuilding industry.

The Swedish approach to depleting order books was somewhat over-confident. The Government decided to finance the building of tankers and gas carriers for stock. It was a strategy contingent upon a view that the shipping slump would not last more than the traditional cycle of three to four years (from 1974) and it has been proved wrong.

The last of the nine ships involved is now nearing completion. The vessels in question have either been sold at a heavy loss or passed into the control of Zenith, Svenska Varv's own ship holding company, which is now technically the largest ship-owning company in Sweden, with interests in 50 ships (many of which were taken over because of bad debts with other ship-owner customers in Scandinavia).

Zenith lost SKr 190m (£20.6m) last year, out of Svenska Varv's total of SKr 2.15bn (£233.7m) Another SKr 500m has been voted for Svenska Varv to cover the cost of absorbing the latest acquisitions—but even these huge sums do not fully reveal the aid which has gone into the industry in recent years.

A further SKr 500m is estimated to be at risk on the generous Government terms offered to Swedish owners to keep them building ships in home yards during the crisis and the cost of a redundancy scheme is also outside the figures.

The policy of building for stock was abandoned a few months ago, and it is not the only aspect of shipbuilding policy on which Sweden has had second thoughts. The same applies to the critical question of marketing and operational organisation within the yards.

When Svenska Varv was formed, it was quickly decided that marketing would be more effective on a group basis and that this would give the taxpayer the best value for money in the subsidised orders which were to be won. British Shipbuilders took the same view and when the world's shipowners assembled for the glamorous and important biennial Posidionia Shipping exhibition in Greece in June 1978, Svenska Varv and BS were by far the most strongly represented shipbuilders present, with an array of top executives from both corporations busily putting across the new image in the most important shipping market in the world.

BS has stuck to this policy, although yards retain the freedom to do their own marketing as well if they wish to. It is argued that only by this means has BS made the industry known in the new markets of the developing world and developed the ability to put together conglomerate marketing packages, such as the £115m deal with Poland signed almost two years ago.

Earlier this year, Svenska Varv decided it had got this side of things wrong. It was winning some orders, at high Government cost, but the view was taken that such a system would not provide an effective longer term strategy because of the product range the Swedish yards would find themselves handling.

In the 1980s, they concluded, the production line metal boxes of tankers and bulk carriers on which the Swedish industry had based its expansion would be built by the new, low-cost countries like Korea, Brazil and Poland, leaving the more sophisticated one-off ships for northern Europe. The Swedes also had their eye on an even more complex market—that for floating production plants for the gas, oil and chemicals industries.

Svenska Varv decided that if it was to win such contracts it must allow individual yards to market their own detailed expertise and that if they were to build such vessels cost-effectively, the work pattern in the yards would have to change from flow lines to what the Swedes call "project organisation."

This concept, fashionable in much of Swedish industry, involves one team of workers and managers seeking orders, costing the work and processing it to final delivery. Each contract becomes a profit centre and so the workforce is encouraged to become involved in the profitability of their output.

Svenska Varv's planners admit that the transition towards this concept is proving difficult in the yards at a time when, as in this country, there is still great uncertainty about jobs. To help with the process, Svenska Varv has brought in experts from the civil engineering industry who are used to managing large site projects and they are applying these ideas in the shipyards.

A small number of orders for floating plants have already been won to test out the theories and there is optimism that Svenska Varv's financial losses will start to come down this year as the new lessons are learned.

Starting point

"Our starting point is that we must find profitable work if we are to survive," says Anders Ullberg, the group's chief planner. "If we cannot identify such profitable areas, the industry will have to disappear."

And he adds, "So far as we are concerned, if we cannot find commercial reasons for continuing to build ships, it is up to the Government to find and to pay, for social reasons."

This separation of social and commercial accounting is one that has been much talked of in Britain's nationalised industries, but nowhere has it been put into effective operation. The latest Swedish idea in shipbuilding is to create an independent holding company for the pool of labour made redundant from shipbuilding. It is this organisation's job to pay the displaced men, to help them find alternative work and to arrange their retraining if necessary. Such an operation takes place, of course, in the context of the most advanced system of social benefits in the world and in an industrial context where there is great flexibility between trades and where strikes are almost unknown. It has enabled the Government to promise shipyard workers that there will be no real redundancies in the next 18 months.

These are the biggest differences between what has happened to Svenska Varv and what has happened to British Shipbuilders. There are of course, also many similarities. The system of central financial control appears to be similar and even the "arm's length" theory of separation between Government and the industry sounds very similar in theory in both countries, although there is a big gap between theory and practice.

So far, Britain has been more successful in retaining its share of the world orderbook and the latest figures put the two countries almost neck and neck with 1.1m gross registered tonnes of orders in hand. Each now has about 4 per cent of the world orderbook—which is Britain's normal level in recent years, but which compares with a share in excess of 10 per cent for Sweden in 1970.

If, as now seems certain, state control of shipping extends further in Sweden, it will be interesting to see whether it is possible, as the present policy-makers intend, to pass control back to the private sector when the market improves. If that does not happen, Sweden will have the even greater challenge of running a state-dominated merchant marine in an industry where state control is almost universally regarded as the kiss of death because of the speed of decisions and the nature of the risks involved in running ships.

Shipbuilding is unlikely, in spite of the British Conservative Party's last election manifesto, ever to be returned to the private sector in either country. For both Britain and Sweden, the issue in the next two years will remain chiefly one of survival.

Management abstracts

These summaries are condensed from the journals of abstracts published by Anbar Management Publications. Readers wishing to consult original texts should write to: P.O. Box 23, Wembley HA9 8DJ.

The Future of Operational Research is Past. R. L. Ackoff in The Journal of the Operational Research Society (UK), Feb. 79: p. 93 and Mar. 79: p. 189 (22½ pages).

Argues that OR is moribund (1) because it has become preoccupied with abstract techniques rather than real-world problems, and with the analysis of closed mechanical systems rather than open, purposeful systems, (2) because it is introspective, no longer multi-disciplinary, and excludes managerial participation; compares the OR graduate to a surgeon trained in the use of surgical instruments but with no knowledge of anatomy or physiology. Suggests that revitalisation, though unlikely, is still possible, and explores what needs to be done, e.g., return to multi-disciplinary teams, and transform the war OR is taught. A persuasive, well-written essay by an American pioneer of operational research.

The Product Liability Crisis. J. G. Kaikati in Journal of Small Business Management (US), Vol. 16 No. 4: p. 46 (10 pages).

Stresses the rapid increase in successful product - liability cases, and the attendant increase in insurance premiums; sets against this how business is reacting (preventive engineering, formation of captive insurance companies), what the U.S. Government is doing (discussions on federal re-insurance), and what the author suggests (abolition of payment of lawyers on a "commission" basis and a statute of limitations).

Confusion Intentional. H. Bosetzky in Zeitschrift für Organisation (Fed. Rep. of Germany), Feb. 79: p. 63 (7½ pages, in German, English version available).

Deliberate attempts to create vagueness within the structure of large enterprises appear absurd, but constitute an important aspect of organisational reality and are at the root of many unsatisfactory situations. Lack of clarity serves members of the organisation who wish to strengthen the prevailing power structure or who desire to achieve personal objectives. (Journal's abstract, edited.)

Technical News

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● ENERGY

Low-grade heat is put to work

TESTED and demonstrated on a laboratory scale by a Krupp group member company is a method of extracting heat from reject fluids in process and other plants and converting it into heat energy at a higher temperature.

GST Gesellschaft fuer Systemtechnik has reversed the absorption heat pump cycle to achieve this, but without any additional requirement for high-grade energy.

It has built a single-stage "heat transformer" operating at an ambient of 15 degrees C which will yield up some 40 per cent of the heat fed into it, but at 110 degrees. A two-stage transformer will yield the heat at 150 degrees, but only 20 per cent of it.

Heat exchange takes place between four interconnected vessels, the first of which is one in which the process could be considered to start since it is here that the operating fluid—ammonia, for instance—is condensed before being pumped to the second vessel. This is heated from the waste heat source, boiling off vapours which are fed to an absorber vessel and yield up energy to a condensate which serves as the high temperature source. The condensate itself is fed through a third vessel, also heated from the waste heat source.

Condensate is a strong solution of ammonia in water and the gas is boiled off and returned to the condenser, while the depleted solution is returned to the high temperature tank to pick up more compressed gas, having been heated from the waste source.

Further information from Fried Krupp GmbH, Postfach 10, D-4300, Essen 1, German Federal Republic.

● HANDLING

Lifts big components

NOW ON the UK market is a 36 feet diameter mobile platform ringer crane which has been designed for use mainly in the fields of jacket fabrication and process engineering.

This should be of considerable interest to plant hire companies says Manitowoc (UK), Priory House, Alperton Lane, Wembley, Middx.

Crane has a maximum rated capacity of 300 U.S. tons on a 140 feet boom at a radius of 45 feet and offers full 36 feet diameter ringer lifting duties while travelling.

The swing function is performed by the company's exclusive and patented Ringer-Swinger system. This fully modulated hydraulically powered system provides swing acceleration and deceleration in either direction.

Operation control is by a single lever, and full free float exists when the lever is in a neutral position. With this system, a maximum variable swing speed of 20 rpm is possible.

Maximum variable travel speed of 0.7 mph is possible and this crane has a gradeability of up to 30 per cent.

A 390 hoist is available in either two or three drum models and includes VICON power lowering, independent boom hoist pump, radiator, engine shroud, fully enclosed gears and drive chains, and anti-friction bearing drum journals and electric starting.

● PROCESSING

Produces complex shapes

EDM spark erosion machines used in the electric discharge sinking process can often provide the best answer to the production of complex shapes to the high degree of accuracy required by the tool-making industry and for production work in aerospace, hydraulics and turbine engineering. They can be particularly effective for the production of moulds to a high specification, even in hard materials.

Matchless Machines, Bletchley, is introducing a new small machine made at Bletchley under licence to AGIE of Switzerland.

Though compact and mounted on a bench housing, the dielectric unit will accommodate workpieces of up to 520 x 288 x 265 mm, weighing up to 200 kg. It has 3-axis digital read-out as standard.

The machine tool unit on its bench occupies a floor area of less than 4 ft x 4½ ft and the power supply unit an area a little over 2 ft square. It should meet the requirements of many tool rooms not able to find space for a larger machine.

The EM10-20 offers servo response 50 per cent faster than hydraulics, reverse erosion servo mechanism, automatic depth setting, programmable arc suppression unit and bi-pulse for steel-on-steel erosion.

Matchless on 0908 74468 at Milton Keynes.

Circuits trimmed fast

AUTOMATIC trimming of on-substrate resistors on thick film and hybrid integrated circuits can be carried out at the rate of 2,000 trims per hour using an air abrasive system put on the market by BFI Electronics, 516 Walton Road, West Molesey, Surrey KT8 0QF (01-941 4066).

Designated RT-10AR the system can accommodate four 2¼ inch square substrates on a turntable on which loading (manual or automatic), trimming and sorting takes place.

The operator simply places substrates on to one of the four vacuum hold-down points on the turntable which then indexes through 90 degrees to the trim point. Substrates can be fed in continuously in this way and after trimming they are sorted (after a further 90 deg shift) by means of an automatic resistance measuring bridge. A vacuum operated lifting arm drops the substrates into an accept or reject receptacle.

An infinitely variable range of trim speeds is available on the trim head with automatic change from coarse to fine trimming.

● PACKAGING

Makes carrier bags

RECENTLY launched by FMC Packaging Machinery Division, Denderstraat 46, Aalst, Belgium, is a carrier bag making machine which also stacks the bags for ultimate use by packers (wickets them).

The machine operates to metric dimensions and can make and wicket the bags at speeds between 220 and 250 per minute depending on the type of plastics film and draw lengths used.

Designated M 1106, the unit makes side weld bags with reinforced carrying handles up to a maximum size of 650 x 900 mm and wickets them ready for automatic filling with products such as bread, paper, rolls, etc.

Company claims that the patch reinforcement system used reduces the quantity of film required compared with conventional techniques and provides a cut-out handle strong enough to support heavy products.

In a practical situation with one operator supervising two machines production rates up to 100,000 bags per eight hour shift are possible.

● PRINTING

Efficiency is increased

PRODUCTION OF 1m hinged-lid cigarette cartons with separate printing, diecutting, etc., machines, needing two or more passes, required the labour of 16 persons before the installation of a Chambon NL five-colour press. This now achieves the same output with only six people — and the work is done more quickly with less downtime and less waste of board — finds Dutch printing house, Vernhout and Van Slupters' Drukkerijen BV.

With the new press, the company is able to deliver nine-tenths of its much bigger total output to the UK and to free the rest of the plant for different types of carton work.

Chambon is in the UK at Riverside Works, Standish Road, Hammersmith, London W.6. (01-741 0441).

● ASSEMBLY

Tightens flange bolts

HYDRA-FLANGE tensioner is for the accurate and uniform tightening of flange bolts in situations where there are large numbers of identical smaller-sized high-pressure flanges.

It ensures that all flange bolts are tightened simultaneously to the correct predetermined load in the shortest possible time and, since it needs to be fitted to only one side of the flange, is particularly useful where access is limited or the operator has to work in a confined space.

With both offshore and onshore applications, the unit uses hydraulic pressure to stretch the flange bolts axially so that high loads can be evenly applied with minimum effort, in contrast with the inaccurate bolt loading associated with conventional torque methods, and achieved at the expense of considerably greater effort.

While a Hydra-flange unit will fit only one particular type of flange, a unit can be produced to fit any standard or non-standard configuration of bolts. Each is made up of separate segments, each segment fitting four bolts, so that, for example, a Hydra-flange for eight bolts is made in two segments or for 12 in three or 16 in four segments. Since only one quick-release hydraulic connector is needed per segment, the unit can be quickly fitted, operated or removed.

Having assembled the flanges and inserted the bolts so that the threads protude through the hexagon nuts on one side of the flange, the separate segments of the Hydra-flange tensioner are positioned over the flange.

A puller is then screwed on to each protruding bolt thread and the hydraulic lines connected, one to each segment. On applying pressure the Hydra-flange rams push against the puller thereby tensioning the bolt. The nuts are then easily tightened without torque by tommy bar through a slot in the Hydra-flange body.

Hydra-Tight for further details at Bentley Hill Close, Walsall, West Midlands—tel. 0922 21689.

● COMPONENTS

Plastic pipe jointing method

SIMPLER AND more secure mechanical jointing of polyethylene pipes is promised with the Viking Johnson Quicklock coupling says Victaulic, PO Box 13, 46 Wilbury Way, Hitchin (0642 4452).

The joint consists of two interlocking aluminium alloy ferrules which are inserted in the ends of the pipes by a special tool. Part of the ferrule inserted in the pipe is provided with a series of annular grooves or serrations which grip the bore of the pipe thus resisting any withdrawal loads and those induced, say, by thermal contraction or accidental displacement of the pipe.

Ensuring secure interlocking of the joint, an annular groove is formed in the upper part of each ferrule, and a lip in the lower part. When mating ferrules are inserted in the pipe ends they are set at 180 degrees to each other so when brought together the grooves and lips engage to provide an exceptionally strong coupling.

The joint is completed by assembling a standard Viking Johnson coupling over the pipe ends—in this case, the sleeve of the coupling is placed centrally over the ferrules and the sealing rings are then compressed between the chamfered sleeve ends and the exterior of the pipe by drawing the two end flanges together by tie-bolts in the normal manner.

Couplings are said to be particularly suitable for effecting rapid repairs to damaged mains, especially in confined spaces.

Hydrostatic transmission control

DISPLACEMENT of axial piston pumps used in the Abex Denison Trimline hydrostatic transmission can be remotely controlled with great reliability using Model 500 electro-hydraulic stroker just introduced by the company.

The device is mounted directly on to a shaft which projects from the sides of the pump casing and which when turned controls the pump stroke via hydraulics and a cam mechanism. A cam position indicator is mounted on the other end of the shaft.

Energy to rotate the control shaft is obtained hydraulically with control from an electric force motor. This motor alters the position of a jet pipe which can generate, through orifices, pressure at the two ends of a piston, the piston in turn rotating the control shaft. When there is no demand (zero current in the force motor) the pressure at the two piston ends is equal and the shaft remains stationary.

Change of command signal moves the jet pipe and rotates the shaft to a new position, altering the pump stroke. Eventually a spring balance mechanism re-centres the jet pipe and a new steady state condition is achieved.

More from the company at Victoria Gardens, Burgess Hill, Sussex RH15 9ND (04446 5121).

Provides fine control at low speeds

AN IRONLESS rotor low inertia dc servo motor of 20 watts output power that should prove useful for positional and velocity control of small x-y tables, control valves, laser scan drives, printers and recorders has been developed by McLennan Servo Supplies.

The use of an ironless rotor combined with a commutation system utilising precious metal contact surfaces provides fine control, rapid response (due to low rotational inertia) and long life. Cogging (rotational jumping from one commutator segment to the next) is minimal, even at low motor speeds.

Known as the M78, the unit can be supplied with a low inertia dc tacho-generator and with precision in-line gear-heads having a standard range of gear-heads providing 10 to 20 rpm (continuously rated) with corresponding torques of 300 to 75 Ncm.

More from Doman Road, Camberley, Surrey (0276 26146).

● CALCULATORS

Thin as a penny

SLIMMEST calculator in the world, 1.6 mm deep, with no raised keys is the Sharp EL8152. But it is no toy and the flat, brushed-metal unit incorporates the Sharp sensor touch panel that "pings" to confirm each entry, though silent operation is also possible.

A memory safeguard has been included to protect the data both in the 3-key memory and the storage unit—even when the power is turned off, the figures are still retained.

Other characteristics in this 8-digit liquid crystal display model are an automatic constant for multiplication and division, a percent key for discount and mark-ups, etc., a fully floating decimal, and an automatic power-off to help save power.

An indicator also shows the condition of the two silver oxide batteries.

Sharp Electronics (UK), 107 Hulme Hall Lane, Manchester M10 8HL. Tel. 061-205 7321.

Puts it all together

LOOSE PAPER material, from two sheets to a book comparable to a London telephone directory, can be professionally bound in the office at the push of a button announces Vertex Office Machines, Regina House, 1-5 Queen Street, London EC4 (01-248 7421).

Machine called Databind weighs only 15 lb and, apart from typed or printed matter, it can also be used for documents which are photocopied or duplicated.

LOMBARD

Basil's unlucky thirteenth

BY JOHN CHERRINGTON

Dear Uncle Tom,

Thank you for your letter and invitation for the 13th, unfortunately my circumstances did not permit acceptance and I have sold my guns.

I am saddened but not surprised by your rejection of my request for assistance. The last budget presented the rich with such an overwhelming incentive to enjoy the fruits of their past labours and present good fortune that it is not surprising that there has been nothing left over for investment in small businesses like mine.

Regarding your suggestion of entering the Civil Service or the European Parliament. I must respectfully point out that the former has stopped recruiting for the present, and the Parliament's membership has been settled for the next five years. It also seems to me to be a repository for political, business, and other has beens. But one cannot of course be a has been until one has been somebody first. There seems little opportunity for that at present.

So for the time being I am soldiering on with my factory, helped by a bank loan at 17 per cent and am considering selling some of my equity to a merchant bank in order to get more finance. I accept what you said about high interest rates being inflationary. But writing in the FT the other day Samuel Brittan said that in our present inflationary time a 14 per cent MLR was no more than 3 per cent in real terms. I showed this to the bank manager and, while he did not quite believe it, he granted me the facility when I added by mother's at present unmortgaged house to the collateral. I have as you know power of attorney over her affairs. due to her permanent absence of mind.

Even so I am not quite convinced that SB is right. At the end of the year I shall still have to fork out £17 for every £100 borrowed, and in no way can I make it any less. Could you give me the benefit of your advice. Trusting you are well.

Yours affectionately,
Basil

My dear Basil,

Thank you for your letter and good wishes. Your Aunt and I are very well. After a tour of the better foreign resorts we are disappointed to find that they look like being invaded by many other people with the same ideas as ours. The demand for houses has pushed prices high. I hope the slight recession in sterling will only be short lived.

As to your query. Mr. Brittan is absolutely right when he says that MLR at present will only amount to 3 per cent or so at the end of the year in real terms if inflation continues. What he did not go on to add was that such a calculation is highly selective. If one has a *business where it is possible to* increase prices by the amount of extra costs incurred, which would include interest charges. the rate of interest being charged would be academic.

As you must be well aware, the Nationalised Industries and many other monopoly sellers are in this position, and the rate of interest and some of their other cost inputs are automatically passed on to the consumer who has no alternative source of supply. This is inflation.

On the other hand there are others who stand no chance at all of recouping these added costs. I have long been, as you know, critical of the feather-bedded farmers in the EEC and Britain. But of recent years they have been forced to accept price increases well below the current rate of inflation by *Government action.*

In your own business, Basil, you are even worse off. There is no built-in guaranteed price structure for what you make, and you have, as you pointed out in your last letter, great difficulty in your export markets with the strength of sterling.

Nor should you be too sanguine about prospects in the home market. No other European country carries such a burden of high interest rates, and the strength of sterling is making it all too easy to sell *imported goods here.* I do believe the dice are being heavily loaded against the individual and small companies and while the Budget has certainly made life splendid for myself, I cannot think that this was its primary intention.

I quite understand your inability to join us yesterday and am sending you a brace.

Your affectionate Uncle,
Tom.

The auction-room market marks time

LOOKING AT the results of the London wine auction rooms for the 1978-79 season just ended one may conclude that they had to work hard to maintain their momentum, and that on the whole, rarities and sought-after claret vintages apart, the market marked time.

Certainly the three London auctioneers, Christie's, Sotheby's and Bonham's, all showed an increase in cash turnover in their own rooms—although little in real money terms. Christie's home turnover rose from just under £2m to nearly £2.1m (*plus 4.9 per cent*), though their 36 sales were two fewer than in the previous season. Sotheby's, which tends to have fewer but longer sales, did rather better in increasing its Bond Street turnover from £1.1m to £1.3m (plus 11.3 per cent) for 15 sales, while *Bonhams, which managed to* maintain a foothold in this very competitive business, raised its net figure for nine sales from £150,000 to £185,000 (plus 23 per cent).

The results have been influenced by the fall in the dollar and indications of recession in the U.S.—all three salerooms report a drop in the number of American bidders. Continental buyers so far have not been affected by the rise in sterling, though this occurred most markedly towards the end of the season. Swiss, German and Dutch bidders have remained prominent in the London sales, and it is noteworthy that both Christie's and Sotheby's sales abroad showed larger increases in turnover than those at home.

Christie's two sales in Amsterdam and Geneva yielded £258,000 from £191,000 (plus 35 *per cent*), *and Sotheby's in* Amsterdam. Dublin and Zurich brought £152,000 from £84,000 (plus 81 per cent).

The buoyant demand for rarities and first-growth clarets depends to a great extent on foreign bidders—and it was the Americans who early on paid *some of the top prices of the* season. The highest of all—£3,300 for a single bottle of Lafite 1806—was paid last September at Christie's by a Florida wine merchant, who went on to buy a jeroboam of Lafite 1949 for £800. At the same sale £1,000 apiece was paid *for a bottle of Lafite 1854 and* a magnum of the 1900, and later on another magnum of the 1900 went for £1,550 and a bottle of the Lafite 1869 brought in £1,050.

Old vintages of Yquem also continue to exert a special fascination for well-heeled sauternes drinkers. At Christie's a record price of £700 for a single bottle of this château's 1858 wine was followed by £1,865 for four bottles at Sotheby's.

Among other rarities, Sotheby's sold a 17th century bottle of Tokay, said to contain the original contents, for £1,300, and 18 half-bottles of the once celebrated Cape of Good Hope Constantia 1791/1809, from the Duke of Northumberland's cellars, for £3,315.

There was plenty of demand too for the older post-war vintages of first-growth clarets. Apart from an eccentric price of £1,900 a dozen, the top price of Lafite 1945 rose in the season from £1,240 to £1,450 and of Latour from £950 to £1,175. Among the 1961s Lafite went up from £660 to £840, Haut-Brion from £560 to £680. But top of all, the rare Petrus 1961 made £500 a bottle.

The 1966s made reasonable gains too, though apart from Pétrus (up to £760 a dozen) and Lafite (£500), not in line with their age and maturity. Today the 1970s and 1971s appear relatively underpriced, especially as the 1978s, still in cask and now being offered by many wine merchants will, when transport, duty and VAT are added, cost their buyers not much less than £200 a case. The same applies to the other popular classed-growths with many 1970s fetching no more than the roughly £100 a dozen asked for the 1978s when delivered, and the 1971s knocked *down for much less.*

The most interesting sales of the season were those at Christie's devoted to wines from the private cellars of two Bordeaux chateaux Suiduiraut and La Mission-Haut-Brion. Twenty-one vintages of the former brought £28,000, including £500 for an half-bottle of the 1820 — the highest price recorded by Christie's for a sauternes since it re-started wine auctions in 1966. The La Mission collection, amplified by larger amounts of recent vintages, ran to 400 lots and took £88,000. The top price, curiously enough, was £110 for a bottle of the château's associated white graves, Laville-Haut-Brion 1945, but in terms of content the highest successful bid was £540 for a double magnum of La Mission-Haut-Brion '29.

After classed-growth claret the most popular "investment" wine is vintage port, but this past year all but the most senior have failed to attract the prices they deserve. £400 a dozen for Cockburn 1908, £350 for Fonseca 1927 and £360 for Taylor 1935 may be good figures in relation to the few shillings a bottle they once cost *but most of the fine 1963s are still making* less than £100 a case; and the 1966s are only around £72-£76, with the 1970s lower still.

When it is recalled that the 1975s opened to the trade at £48 a dozen, and 1977s are likely to come out shortly at £60, those wines with some bottle-age are bargains.

Also undervalued in comparison with the prices of recent vintages are burgundies. It is surprising that rising prices and shortage of stock on the Côte d'Or are not reflected in higher prices in the London salerooms. This is partly because foreign buyers are not interested in English-bottled burgundies, however reputable, as well as the lack of investment interest — that is apart from the Romanée-Conti estate wines, one of which, Romanée-Conti 1971 fetched £850 a dozen at Sotheby's last December.

As for other fine vintage wines, the small size of the German wine market here also explains the moderate prices obtained for estate-bottled wines of quality, although some high figures have been recorded for rare *trockenbeerenauslesen.* The most outstanding price was £260 at Christie's for a single bottle of Schloss Johannisberg Goldbeerenauslese 1893.

Vintage madeiras command high but not markedly rising prices. The best last season *included* £155 for a bottle of 1715 Moscatel and £160 for a 1792 from the private cellars in Madeira of the Blandy family.

Old cognacs remains surprisingly plentiful, and it may be wondered if there is a stage army of them. Those with allegedly Napoleonic associations attract the highest bids; a magnum of Grande Armée 1811 went for £440. Evidently this army marched on brandy.

What the London auctioneers miss these days are the mass disposals from trade sources that attracted both trade and public to their rooms in the mid-1970s. Last season the nearest to this was Sotheby's two sales of the stock of the firm of Mason Cattley that had run into difficulties. The total realised was £150,000.

The prospects for the coming season are mixed. Rarities and top-class clarets should continue to attract the attention of rich American and Continental buyers. At lower levels, however, it is to be noted that in the last few months of the past season many prices were below their best. At the moment, therefore, it seems unlikely that they will rise substantially to take account of inflation and the probable increase in the prices of young fine vintage wines at source and on British wine merchants' lists. There might even be some bargains, especially among wines sold by private vendors free from VAT at 15 per cent.

WINE

BY EDMUND PENNING-ROWSELL

Course will suit Paradise Bay

THE PRESENCE of Bozovici, Final Straw, Millbank (U.S.) and Paradise Bay will ensure a fascinating race for today's Seaton Delaval Stakes at Newcastle, by far the most interesting two-year-old event of the season.

There was no fluke about *Final Straw's narrow defeat of* an admittedly less experienced rival, stablemate Lord Seymour, on the July course.

RACING

BY DOMINIC WIGAN

Another who got home in workmanlike fashion recently was Bozovici, who runs today in preference to Lavinsky. *He had* more in hand at the line in the Sandwich Stakes than did Final Straw in his race; but Bozovici *did not quicken away from his* field with quite the ease I anticipated.

If Final Straw and Bozovici did not show overwhelming *authority in their last races*, the same cannot be said about Millbank and Paradise Bay. Millbank, rated Ian Balding's leading prospect in the early summer, is a bay son of Mill Reef. Star Jet, another bay son of Mill Reef, won at Deauville on Sunday.

Millbank made no show in Salisbury's Champagne Stakes, trailing home last. It was a different story at Newmarket 10 days ago. Out of the stalls with the same momentum shown by Ahonoora at Goodwood, he proceeded to run his field ragged in the Exeter Stakes, winning by seven lengths from Heavenly Ruler.

A highly strung colt who became upset in the stalls at Newmarket. Millbank will need quiet handling if his temperament is not to let him down.

It is difficult to assess the *merit of Paradise Bay.* Yet another bay by Mill Reef, this colt found both Marathon Gold and Heavenly Ruler too sharp at Ascot on his debut before defeating the latter in the Limekilns Stakes.

Although he returned a slower time than Millbank at Newmarket on faster ground, Paradise Bay is the selection, in the belief that he is improving dramatically and will be ideally suited by this stiff track.

NEWCASTLE

2.30—Cheka
3.00—Whistling Tom
3.30—Danny Bidder
4.00—Paradise Bay***
4.30—Omdurman**
5.00—Sunshine Lie*

Radio director

MR. TOBY HORTON, a banker, aged 32, has been appointed managing director at Radio Tees, the independent local radio station that serves south Durham, Cleveland and North Yorkshire. He succeeds Mr. Jo Bradford.

TV Radio

† Indicates programme in black and white

BBC 1

6.40-7.55 am Open University (Ultra-high frequency only). 9.50 Magic Roundabout. 9.55 Jackanory. 10.10 Don and Pete. 10.15 Desert Adventure. 10.40 Take Hart. 1.15 pm News. 1.30 Ragtime. 3.40 Pawb Yn Ei Fro. 4.13 Regional News for England (except London). 4.15 Play School. 4.40 Roobarb. 4.45 Hunter's Gold. 5.10 Young Explorers. 5.35 The Wombles.

5.40 News.
5.55 Nationwide (London and South-East only).
6.20 Blue Peter Special Assignment.
7.00 Dad's Army (London and South-East only).
7.30 The Tuesday Film: "South of Algiers."
9.00 News.
9.25 Top Brass.
10.15 Play For Today.
12.05 am Weather / Regional News.

All Regions as BBC-1 except at the following times:—

Scotland—5.55-6.20 pm Reporting Scotland. 7.00-7.30 Dad's Army. 12.05 am News for Scotland.

Wales—4.45 pm Crystal Tipps and Alistair. 4.50-5.10 Mae Gen I *Stori . . . Y Brenin Llwyd.* 5.55 Wales Today. 6.15-6.20 Newyddion. 7.00-7.30 Dad's Army. 12.05 am News for Wales.

Northern Ireland—4.13-4.15 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 7.00-7.30 Starring Terri Stevens. 12.05 am News for Northern Ireland.

England—5.55-6.20 *pm* Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South-West (Plymouth). 7.00-7.30 East (Norwich) Joint Account; Midlands (Birmingham) A Prospect Of Gardens; North (Leeds) Mr. Smith Steps Out; North-East (Newcastle) Looks Natural; North-West (Manchester) The Time, The Place and The Music; South (Southampton) Hey Look . . . That's Me!; South-West (Plymouth) Day Out; West (Bristol) Flying High.

BBC 2

6.40-7.55 am Open University.
11.00 Play School (as BBC-1 4.15 pm).
4.50 Open University.
6.55 The Great Orchestras.
7.55 Mid-evening News.
8.05 Brass Tacks.
9.00 Rhoda.
9.25 Born to the Wind.
10.10 Sandor Vegh Masterclass.
10.55 Late News.
11.10 Beethoven: Gabriel String Quartet play Rasumovsky Quartet.
11.50 Closedown reading.

LONDON

9.30 am *Home Nursing.* 10.00 Paint Along With Nancy. 10.30 Felix the Cat. 10.40 "Bohemian Girl." 11.45 Mystery Island. 12.00 Simon in the Land of Chalk Drawings. 12.10 pm Rainbow. 12.30 Emmerdale Farm. 1.00 News plus FT index. 1.20 Thames News. 1.30 Crown Court. 2.00 The National Gallery. 2.30 A Play for Love. 3.25 The Love Boat. 4.20 Under the Same Sun. 4.45 Kidsworld. 5.15 Sam.

5.45 News.
6.00 Thames News.
6.05 Monty's London.
6.35 Crossroads.
7.00 Sapphire and Steel.
7.30 Thundercloud.
8.00 The Streets of San Francisco.
9.00 Love Among the Artists.
10.00 News.
10.30 Camera.
11.00 Appointment With Fear: "The Sorcerers."

IBA programmes are subject to interruption due to industrial action

12.40 am Close: Cyril Shaps reads his personal choice of poetry.

All IBA Regions as London except at the following times:—

ANGLIA

10.30 am Rocket Robin Hood. 11.00 Monsters and Other Scary Things. 11.25 Solo One. 11.50 Cartoon Time. 1.25 pm Anglia News. 3.25 Hallas and Batchelor Cartoon. 3.50 Cabbages and Kings. 5.15 The Squirrels. 6.00 About Anglia. 7.30 This England. 8.00 Have Girls Will Travel. 11.00 Inside Business. 11.30 Sidestreet. 12.30 am Themes.

ATV

10.30 am Morning Cinema: "Double Bunk," starring Ian Carmichael. 1.20 pm ATV Newsdesk. 3.20 *Treasure Island.* 5.15 Dynomutt. 6.00 ATV Today. 7.30 This England 8.00 Mind Your Language. 8.30 Get Some In! 11.00 Origins of the Mafia.

BORDER

10.30 am Morning Cinema: "Left, Right and Centre." 1.20 pm Border News. 3.20 Bygones. 3.50 Untamed World. 5.15 The Squirrels. 6.00 Look Around Tuesday. 7.30 This England. 8.00 Fantasy Island. 11.00 The Human Face of China. 11.30 Sidestreet. 12.30 am Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News and What's On Where 5.15 Stars on Ice. 6.00 Channel News. 6.10 Dynomutt-the Dog Wonder. 8.00 BJ and the Bear. 10.28 Channel Late News. 11.00 Colgate World Mixed Golf Championship. 12.00 George Hamilton IV. 12.25 am Visages de France.

GRAMPIAN

9.25 am First Thing. 10.30 The Search for the *Persian Royal Road.* 11.15 Cartoon Time. 11.30 Spiderman. 1.20 pm Grampian News Headlines. 3.25 Code R. 5.15 The Squirrels. 6.00 Grampian Today. 6.05 Perspective. 11.00 Reflections. 11.05 Power Without Glory. 12.00 Grampian Late Night Headlines.

GRANADA

10.30 am Sesame Street. 11.25 The Beachcombers. 11.50 Look at Life. 1.20 pm Dick Tracy. 3.25 Untamed World. 3.50 The Amazing World of Kreskin. 5.10 Felix the Cat. 5.15 Crossroads. 6.00 Granada News. 6.05 Time Off. 6.30 Cabbages and Kings. 7.30 This England. 8.00 The Love Boat. 11.00 The Late Night Film: "Phantom of Hollywood."

HTV

10.30 am "Curtain Call at Cactus Creek," starring Donald O'Connor. 1.20 pm Report West Headlines. 1.25 Report Wales Headlines. 5.15 Melotoons. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 The Squirrels 7.30 This England. 8.00 Lucan. 11.00 The Human Face of China. 11.30 Fireside Theatre.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 pm Penawdau Newyddion y Dydd. 4.20-4.45 Goglis. 6.00-6.15 Y Dydd. 10.30 Dim Ond Heddiw. 11.00-11.55 Fireside Theatre.

HTV West—As *HTV General Service* except: 1.20-1.30 pm Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

10.30 am Feature Film: "The Virgin Queen." 1.25 pm News. 3.25 Cartoon Adventure. 3.50 The Electric Theatre Show. 5.15 Popeye. 5.20 Crossroads. 6.00 Scotland Today—Summer Extra. 6.30 Get Some In. 7.30 This England 8.00 Charlie's Angels. 11.00 Late Call. 11.10 From the Top. 11.40 The Human Face of China.

SOUTHERN

10.30 am Call it Macaroni. 11.00 David Hand Cartoon. 11.10 Coral World. 1.20 pm Southern News. 3.20 Stars on Ice. 3.50 Get Some In. 5.15 Dick Tracy Cartoon. 5.20 Crossroads. 6.00 Day by Day. 7.00 Sapphire and Steel. 7.30 This England. 11.00 Southern News Extra. 11.10 Colgate *World Mixed Golf Championship.*

TYNE TEES

9.25 am The Good Word, followed by North-East News Headlines. †10.30 "The Spy in Black." 1.20 pm North-East News and Lookaround. 3.30 Survival. 3.50 The New Andy Williams Show. 5.15 Mork and Mindy. 6.00 Northern Life. 7.30 This England. 8.00 Hawaii Five-O. 11.00 The Human Face of China. 11.30 *Mannix.* 12.30 am *Epilogue.*

ULSTER

10.30 am Tuesday Morning Movie: "Right, Left and Centre." 1.20 Lunchtime. 3.25 Chopper Squad. 4.10 Ulster News Headlines. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Ulster Television News. 6.15 Millstones or Milestones. 6.30 The Best Disco in Town. 7.30 This England. 8.00 The New Avengers. 11.00 The Outsiders. 12.00 Bedtime.

WESTWARD

10.30 am Sesame Street. 11.30 The Beatles. 11.45 Play Safe. 12.27 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 5.15 Stars on Ice. 6.00 Westward Diary. 8.00 BJ and the Bear. 10.28 Westward Late News. 11.00 Colgate World Mixed Golf Championship. 12.00 George Hamilton IV. 12.25 am Faith for Life. 12.30 West Country Weather, Shipping Forecast.

YORKSHIRE

10.30 am Mumbly. 10.46 Beachcombers. 11.10 The Mackenzie Affair. 1.20 pm Calendar News. 3.25 Calendar Tuesday. 3.50 Cabbages and Kings. 5.15 The Squirrels. 6.00 Calendar (Emley Moor and Belmont Eds). 7.30 This England. 8.00 Lucan. 11.00 The Human Face of China. 11.30 Sidestreet.

(S) Stereophonic broadcast.
‡ Medium wave.

RADIO 1

5.00 am As Radio 2. 6.00 Andy Peebles. 9.00 Simon Bates. 11.00 Radio 1 Roadshow. 12.30 pm Newsbeat. 12.45 Paul Burnett. 2.00 Tony Blackburn. 4.31 Paul Gambaccini. 7.00 Personal Call. 8.00 Mike Read. 9.50 Newsbeat. 10.00 John Peel (S). 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.03 Derek Hobson (S). 7.32 Terry Wogan (S). 10.03 Jimmy Young (S). 12.15 pm Waggoners' Walk. 12.30 Pete Murray's Open House (S). 2.15 David Hamilton (S). 4.15 Much More Music (S). 5.00 News. 5.05 Waggoners' Walk. 5.20 Don Durbridge (S). 6.45 Sports Desk. 7.02 Brian Fahey with the BBC Scottish Radio Orchestra (S). 7.30 Sports Desk. 7.33 Folk 79 (S). 8.02 Nordring (S). 9.02 Among Your Souvenirs (S). 9.55 Sports Desk. 10.02 The Frankie Howerd Variety Show. 11.02 Round Midnight, including 12.00 News. 2.02-5.00 am You and the Night and the Music (S).

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Overture, part 1 (S). 8.00 News. 8.05 Overture, part 2 (S). 9.00 News. 9.05 This Week's Composers: Ireland and Scott (S). 9.55 Malvern Concert Club 75th Season: Flute and harpsichord recital, part 1 (S). 10.55 Interval Reading. 11.00 Recital, part 2. 11.45 BBC Welsh Symphony Orchestra (S). 1.00 pm News. 1.05 The Arts Worldwide. 1.20 Song Recital (S). 2.00 In Partnership. 2.45 Birtwistle and Schoenberg concert (S). 3.55 Bach's Unaccompanied Cello Suites (S). 4.55 Jazz Today (S). 5.25 Homeward Bound (S). ‡5.45 News. ‡5.50 Homeward Bound. ‡6.15 At Home. 7.10 Pied Piper (S). 7.30 Proms 79 part 1: Mozart, Britton (S). 8.30 "Silence" by Ivor Cutler (S). 8.50 Proms 79 part 2: Dvorak (S). 9.40 Aeolian String Quartet (S). 10.00 Penny Merriments (S). 10.40 Soler, Mendelssohn and Albeniz piano recital (S). 11.15 Songs of Mourning (S). 11.55-12.00 News.

VHF only—6.00-7.00 am and 5.45-7.10 pm Open University.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping forecast. 6.30 Today, including 6.45 Prayer for the Day. 7.00, 8.00 Today's News. 7.30, 8.30 News headlines. 7.45 Thought for the Day. 8.45 The Enchanted Places. 9.00 News. 9.05 Tuesday Call. 10.00 News. 10.05 Local Time. 10.30 Daily Service. 10.45 Morning Story 11.00 Thirty-Minute Theatre. 11.30 A Sideways Look At . . . 11.45 Listen With Mother. 12.00 News. 12.02 pm You and Yours. 12.20 Desert Island Discs. 12.55 Weather, programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.05 A Small Country Living. 3.35 A Dance to the Music of Time (S). 4.30 Announcements. 4.35 Story Time. 5.00 PM News magazine. 5.50 Shipping forecast. 5.55 Weather, programme news. 6.00 News. 6.30 Quote . . . Unquote (S). 7.00 News. 7.05 The Archers. 7.20 In Hock. 8.05 Something Appealing Something Appalling. 8.45 Noise from the Sky. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 The News Quiz (S). 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Come to the Cabaret. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 9.00 London Live. 12.03 pm Call In. 2.03 206 Showcase. 4.03 Home Run. 7.03 Black Londoners. 8.00 All That Jazz. 10.03 Late Night London. 12.00-5.00 am As Radio 2.

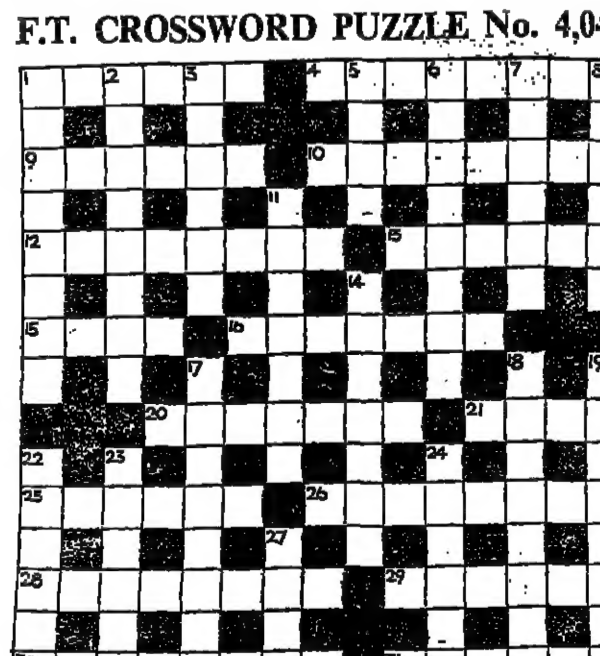
London Broadcasting

5.00 am AM with John Perkins and Steve Wood. 10.00 Open Line. 1.00 pm LBC Reports. 3.00 George Gale's 3 O'clock Call. 4.00 LBC Reports. 8.00 After Eight. 9.00 Nightline. 12.00 LBC Reports Midnight. 1.00 am Night Extra.

Capital Radio

6.00 am Graham Dene's Breakfast Show (S) 9.00 Mike Smith (S). 12.00 Mike Allen (S). 3.00 Roger Scott (S). 7.00 London Today (S). 7.30 Adrian Love's Open Line (S). 9.00 Alan Freeman (S). 11.00 Tony Myatt's Late Show (S). 2.00 am Duncan Johnson's Night Flight (S).

F.T. CROSSWORD PUZZLE No. 4,047



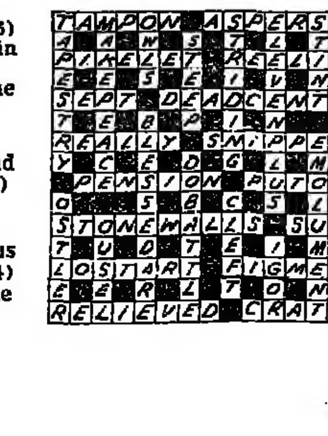
ACROSS

1 Dryness of the first letter *missing* (6)
4 Nazi leader goes around South American country in a schooner (8)
9 Aircraft gets in before the exiled royalist (6)
10 Mrs. Mopp is to master personal influence (8)
12 Idle talk—that's the difficulty *we find in Felix* (8)
13 Stick a notice in this place (6)
15 A stream of right and wrong combined (4)
16 Petty Officer's income to settle (7)
20 Where Sir John Moore fell in battle (7)
21 Infrequent association of two regiments (4)
25 Such creatures are ephemeridae (2, 1, 3)
26 Liking for a swan song (8)
28 The end of a university row (8)
29 Fasten one on the wheel (6)
30 Charm for one over fifty in a Southern sea (8)
31 Additional building for the girl before the river (6)

DOWN

1 "No other books but — and the tally" (Henry VI) (3, 5)
2 Signs acrostically (8)
3 Dapper wood (6)
5 The girl friend of Narcissus *always had the last word* (4)
6 The garden of Eden is in the show (8)
7 Comparatively over-hasty and possibly streaky (6)
8 The bird finds ease, we hear, on the river (6)
11 Has ability to work in a Constellation (7)
14 A short trip with the marshal in the copse (7)
17 Small boats for company transport upset Les (8)
18 A sense of taste gets round in this hill (8)
19 When pronounced it may mean a stretch (8)
22 Class gets at general lay-out of proposed publication (6)
23 Broken portal causes tour of inspection (6)
24 Lawsuit for one in a London suburb (6)
27 The gull gets other birds on the way up (4)

SOLUTION TO PUZZLE No. 4,046



ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. Credit Cards. 01-240 5258. Reservations 01-836 3161. ENGLISH NATIONAL OPERA Tomor 7.30: The Rhinegold. Thurs & Fri 7.30: Die Fledermaus. Sat 4.30: The Valkyrie. 104 balcony seats avail from 10 am on day of perf.

ROYAL FESTIVAL HALL. 01-928 3191. Until Aug. 29. Evs. 7.30. Mat. Sat. 3. LONDON FESTIVAL BALLET Until Sat: ROSALINDA. Tonight Loggenburg. Terabust. Aug. 22 to 29: LA SYLPHIDE.

SADLER'S WELLS THEATRE. Rosebery Ave., EC1. 837 1672. Until Aug. 18. DANCE THEATRE OF HARLEM Evs. 7.30. Mat. Sat. 2.30. Instant CC. Bookings on 837 7734/9505. Tonight: Shapes of Evening Adagietto No. 5. The Greatest (pas de deux), Le Corsaire (pas de deux), Forces of Rhythm. Seats Still Avail.

SADLER'S WELLS THEATRE, Rosebery Ave. EC1. 837 1672. From Aug 21 to Sept 1. Evs 7.30. Mat Sat 2.30. THE SCOTTISH BALLET Rep incl: Underground Rumours, Napoli, Swan Lake, La Sylphide, Vespri.

THEATRES

ADELPHI THEATRE. 01-836 7611. Evenings at 7.30 Mats. Thurs. at 3.0 & Sats. at 4.0. JOHN INMAN in "GLORIOUS FARCE," D. Telegraph CHARLEY'S AUNT

ALBERY. From 8.30 am incl. Suns. 836 3878. CC bookings 836 1071-3. Evgs. 7.45. Thur. and Sat. 4.30 and 8.00. A THOUSAND TIMES WELCOME IS LIONEL BART'S OLIVER "MIRACULOUS MUSICAL." Financial Times. with ROY DOTRICE GILLIAN BURNS, MARGARET BURTON Party rates and student stand-by avail.

ALDWYCH. CC. 836 6404. Inf. 836 5332. Fully air-conditioned. ROYAL SHAKESPEARE COMPANY in repertoire. Ton't 7.30 ANTONY AND CLEOPATRA (sold out). With John O'Keeffe's WILD OATS (Tomor 2.00 and 7.30) and Bulgakov's THE WHITE GUARD (Fri. 7.30). RSC also at THE WAREHOUSE (see under W).

THEATRES

GLOBE THEATRE. CC. 01-437 1592. Mon. to Fri. Evs. 8.00. Mats. Wed. 3.00. Saturdays 5.00 and 8.30 ANTON RODGERS GEMMA CRAVEN DIANE LANGTON ANDREW C. WADSWORTH DAVID HEALY in SONGBOOK A new musical by MONTY NORMAN and JULIAN MORE "A TOUCH OF MUSICAL MAGIC." NoW. "THIS STUNNING OCCASION THE BEST BRITISH MUSICAL OF THIS YEAR AND A FEW GONE BY." FIN. TIMES. "VERY FUNNY OFTEN HILARIOUS. RECEIVED WITH DELIGHT," EVG. STAND. "THE CAST IS BRILLIANT," EVG. NEWS.

HAYMARKET. CC. 01-930 9832. Evenings 8.00. Wed. 2.30 Sat. 4.30 and 8.00. KEITH MICHELL SUSAN HAMPSHIRE in THE SHERLOCK HOLMES MYSTERY THE CRUCIFER OF BLOOD by PAUL GIOVANNI "This kind of spectacle I cannot recall since boyhood . . . terrific stuff." News.

HER MAJESTY'S. CC. 01-930 6606. Evenings 8.00. Fri. Sat. 5.15 and 8.45. AIN'T MISBEHAVIN' The New Fats Waller Musical Show "A RIOTOUS HIT." Daily Mail. "JUBILANT, THE BEST PERFORMANCE OF ANY MUSICAL IN LONDON." Obs. LAST 4 WEEKS ENDS SEPT. 8.

KING'S HEAD. 226 1916. Dinner at 7.30. Show at 8.30 FIFTY WORDS: BITS OF LENNY BRUCE "SHEER BRILLIANCE." Time Out. "AN EVENING OF SUCH REVERBERATIVE RICHNESS, LAUGHTER AND DELIGHT," Guardian. "WITTY PROVOCATIVE SHOW." E.Std. "A FUNNIER EVENING THAN I COULD EVER IMAGINE SPENDING WITH LENNY BRUCE HIMSELF." Whats On.

LYRIC THEATRE. CC. 01-437 3686. Evs. 8.00. Mats. Wed. and Sat. 3.00. JESSICA TANDY HUME CRONYN In the 1978 Pulitzer Prize Play THE GIN GAME Directed by MIKE NICHOLS From Broadway. Limited Season. "TWO RARE AND SUPREME PERFORMANCES." Guardian. "EXTREMELY FUNNY." New Yorker.

THEATRES

ST. MARTIN'S. Credit Cards 836 1443. Evgs. 8. Mat. Tues. 2.45. Sat. 5 and 8. AGATHA CHRISTIE'S THE MOUSETRAP WORLD'S LONGEST-EVER RUN. 27th YEAR.

STRAND. 01-836 2660. Evenings 8.00. Mat. Thurs. 3.00. Sats. 5.30 and 8.30. NO SEX PLEASE— WE'RE BRITISH LONGEST RUNNING COMEDY IN THE WORLD.

TALK OF THE TOWN. CC. 01-734 5051. AIR CONDITIONING. CREDIT CARDS. CELEBRATING 21 YEARS From 8.00. Dining and Dancing. 9.30: SUPER REVUE BUBBLY At 11: BUDDY GRECO

VAUDEVILLE. CC. 01-836 9988. Evs. 8. Mat. Wed. 2.45. Sat. 5 and 8.30. EDWARD FOX in THE FAMILY REUNION by T. S. ELIOT "Sheer Magic." Financial Times. "This is Eliot's greatest play." D. Tel. This Theatre is fully air-conditioned.

VICTORIA PALACE. CC. 01-828 4735-6. 01-834 1317. Evgs. 7.30. Mats. Wed. and Sat. 2.45. ANNIE "BLOCKBUSTING SMASH-HIT MUSICAL." Daily Mail. Best Musical of the Year 1978. E. Stand.

WAREHOUSE. Donmar Theatre, Covent Garden. Box Office 836 6808. Royal Shakespeare Co. Ton't 7.30 Pam Gems' PIAF (sold out). Seats avail for Tom McGrath's THE INNOCENT.

WESTMINSTER. CC. S. 01-834 0283. Evgs. 7.45. Mats. Wed. and Sat. 3.00. GILBERT AND SULLIVAN'S THE MIKADO "The best Mikado I've seen." What's On. "A surprise and a delight." The Stage. Tickets £3.25, £4.25, £5.25. JOSEPH AND THE AMAZING TECHNICOLOR DREAMCOAT Nov. 1st-Jan. 19th. Book yesterday. Ring 834 0283.

WHITEHALL. CC. 01-930 6692-7765. Monday to Thursday 8.00. Fri. and Sat. 6.10 and 8.50. IPI-TOMBI "It's a footstamping, pulsating, action-packed African musical." News of World. FOURTH GREAT YEAR

WINDMILL. CC. 01-436 6312. Twice nightly at 8.00 and 10.00. Sun. 6.00 and 8.00. Paul Raymond presents RIP OFF. The erotic experience of the modern era. Fourth great year. Now showing new second edition. New girls, new acts, new production.

هكذا من الأصل

THE ARTS

Hayward Gallery

An Annual let-down

by WILLIAM PACKER

English art needs and deserves its calendar of festivals, for there is more than enough good, interesting and worthy work being done to supply such occasions that without them might never get beyond the studio. Every summer, the Royal Academy, it is true, moves in its mysterious and useful way, while John Moores and now Tolly Cobbold take turns to do their bit outside London; but a regular, thoughtful and selective review of current activity is an obvious requirement, and a very good thing it is that the Arts Council now seems to have taken it upon itself to commit its major London gallery to such a policy. The Hayward Annual is now established as more or less an immovable feast: and though the rite itself is always changing and the fare is unpredictable, sometimes frugal, sometimes unpalatable, often bland, it is already a source of expectant village gossip and acrimony throughout the year, and a visit to the show itself a true obligation.

Every year it is interesting but unsatisfying, and we come away puzzled and frustrated not because the works themselves are difficult or offensive or outrageous; though they might quite reasonably be all those things; but rather because again the Annual itself has let us down somehow, for all its honest ambition and good intentions.

The essential problem is easy to isolate, rather harder to solve: the three simple and interrelated issues of whom to include, how to choose them, and what of it. The hard truth is that the Hayward Annual has yet to establish any real *esprit* and sense of its own grandeur. A showing at the Serpentine or even the Academy seems, oddly, to carry just as much weight, a success with John Moores or Tolly Cobbold, with or without the prizes, rather more. The answer must lie in the manner of selection, and significantly we do know exactly where we are with these other shows and their various juries: regularity does set up in time its own standards.

The Arts Council, however, at least under its Hayward hat, seems still to be over-anxious to be fair and democratic in its processes, and, most importantly, to be seen to be so. The fact that the best Annual of all, not exactly one of this series but a kind of pilot, Ann Seymour's "New Art" some years ago, was also the most partial has been ignored. Instead a procession of artists' committees has trudged earnestly along, year by year, with minor tinkerings and shifts of emphasis compromising each show in turn. This year, at last, a measure of personal accountability has been reintroduced, with a panel of individual selectors replacing the committee as such: but it is a half-hearted move, the scope it is given so narrow that all risk is ruled out. The show is as tame as ever, five small and separate displays that do nothing more than demonstrate the selectors' known preferences, each one secure on his cosy patch. We might have expected them to be stretched a little more.

The uncomfortable option open to the selectors to include their own work in the show is another nettle not yet grasped, and one that surely should be lopped down altogether. It is noticeable that the two better artists among the five, Nicholas Pope and John Hilliard, have remained aloof, which is not necessarily to say that their sections are any the stronger: and Helen Chadwick, whose field is performance and installation, has also stood aside. But Jim Whiting's machine was not working at the time of my visit, Genesis P. Orridge's small display was for the moment markedly incomplete, and the splendid Bruce McLean's programme of performances was already over, which I particularly regret.

Bruce McLean with Sylvia Ziranek in a performance of his 'Un Morceau de Gateau'

Only Tony Sinden's room full of mirrors, plinths and photographs of mirrors, and endlessly running loops of film, was at all as it should be. There is an ancillary programme of events and video, but there again only one thing can be done at a time. Miss Chadwick therefore stands excused for her choice by default, and not her own. A better way should be devised for presenting such work, and not in a general show of this kind where its presence is merely a wasteful and ineffectual token.

John Hilliard's own photographic works were shown in a previous annual, and to his credit he makes no bones about choosing whom he considers to be the five best British artists now working primarily with photography. He would wish to have invited more, but there it is. And so there are no surprises: his commitment is to his own establishment, to the admirable and familiar Richard Long and Hamish Fulton, to Victor Burgin, whose work here is the best of his that I have seen, to the more trivial John Stezaker and the ever tediously narcissistic Gilbert and George.

Nicholas Pope exposes himself less, moving into middle ground and middle reputation, picking out four worthy sculptors all fairly safely established but not one of them exactly a star. All of them are concerned, it seems, less with with the manufacture of three-dimensional images or totems than with the manipulation of material, from which process any final sculptural presence just happens to emerge: truth to material is once more a fashionable honesty. In Garth Evans's case such emphatic physicality is modified somewhat by the simple and regular ordering of the units which make up his wedges and stacks. The others, Katherine Gili, Richard Rome and Jeff Lowe, are content to heave and shove and puddle their stuff around, whether wax or clay or steel, to most satisfyingly lumpen effect, and with commendable good taste and judgment, none of the work over-large, all of it contained and under control.

The work in the two painting shows is as safe and undemanding as the sculpture but, with a handful of exceptions, by no means as accomplished. Unfortunately the work of the two selectors responsible must be included in this doubtful major portion. Paul Gopal Chowdhury does himself the greatest unkindness by inviting direct comparison with Euan Uglow, whose group of life and still-life paintings command the entire show, and taking up station alongside Leon Kossoff. His work, and that of Andrew Volley, is over-stretched and unresolved, neither artist able to sustain the ambitious scale he chooses to work on: and Norman Norris makes a virtue of diffidence and indecision, and possibly real desperation. It remains to Patrick Symons to demonstrate the modest virtues of concentration and application.

Which brings us at last to the non-figurative work chosen by James Faure Walker, all of it of what we might call the Artscribe School of latter-day abstract expressionism, indeed an active and interesting school of young painters who are intelligently eclectic at their best, often admirably hedonistic, and a necessary spur in the flanks of their seniors. Mr. Walker and his colleagues on the magazine have done much useful and effective evangelising on their behalf, but here the best of them are conspicuously absent. Only Bruce Russell, the quietest of the exhibitors, shows work of any real strength and distinction: the rest is over-blown and vacuous. Gary Wragg's large canvasses particular evidence of an inflated reputation. The kindest thing to say of Mr. Walker himself is that he is a better critic than he is a painter.

The Hayward Annual runs until August 27.

Festival Hall

Mozart

by NICHOLAS KENYON

Some of Pinchas Zukerman's programmes in his current South Bank Summer Music series are drawn from those he has been directing in the Mostly Mozart Festival in New York: on Sunday he brought the soprano Judith Blegen to the Festival Hall to sing some Mozart arias which they have already recorded together in America.

Miss Blegen makes a glorious sound—tense, tightly moulded, blazing with life—but her characterisation is too pert and knowing for the simple-hearted music she sang. "Non temer, amato bene," K.490 (introduced with a truncated bit of its long recitative) is a frankly undistinguished piece, the poor relation of "Ch'io mi scordi di te"—rescued on this occasion because of its violin obbligato, which Zukerman played while (loosely) directing. And the famous "Exsultate jubilate" needs to be done with the innocence of an Elly Ameling; Miss Blegen, brilliant of coloratura, merely joined her hands in prayer during the slow aria and batted a dewy eyelid to register religiousness.

If there was every excuse for Miss Blegen to show off in her chosen works (for there is little else to do with them), it was disconcerting to have the same treatment applied by the pianist Yefim Bronfman to the C minor Concerto K.491. Mr. Bronfman has a style of Mozart-playing I much admire: weighty, crisp, no note ignored, and no pursuit of beauty for its own sake. All the worse, then, that his playing was so completely devoid of any response to the text; the earth-shattering first movement coda rattled off like a machine-gun, the magical close of the second pounded remorselessly, the third's tempests turned into pretty storms.

Mr. Zukerman's amiable approach to the orchestral accompaniment did not help matters in the concerto: he was far better suited to the Haffner Symphony, which closed the programme. Here his distinctive gutsy zip inspired the English Chamber Orchestra to the boldest playing of the evening, though his conducting was still a generalised encouragement rather than a specific guide (we lost many of the subtler twists of the first movement's argument, and the Andante was so pleasant it just drifted) Zukerman at least began to show some real contact both with the work and the orchestra. I suppose it doesn't matter changing from beating four-in-the-bar to two and back to four—indeed nothing much matters in this atmosphere so long as everyone's enjoying themselves: but it could all be so much better.

Pizza Express, Dean St., W1

Art van Damme

by KEVIN HENRIQUES

A mixture of curiosity and genuine interest attracted me on Friday to hear American accordionist Art van Damme, the man who, along with the Dutch-born Mat Mathews, can claim to have made a jazz instrument out of something more often associated with folk music, an instrument looked upon as a a novelty and usually not taken very seriously.

Straightaway van Damme's virtuosity compels the listener to take the keyboard-bellows-and-button instrument completely seriously. In three tune-packed sets with a British rhythm section he dispelled any reservations one might have had about the accordion in jazz. He is a fleet player who, despite jokingly expressing fears about fast tempos, excels at these speeds which seem to show off the instrument's capabilities best of all. In a tearaway "Indiana" van Damme leapt along swingingly, indulging in some snappy four-bar exchanges with each of his three accompanists.

In ballads, where the left hand has to pick out the chords more deliberately and with more clarity, the accordion does teeter on the brink of wistfulness, as exemplified in his versions of "Here's That Rainy Day" and "Misty." It is on slow numbers that the accordion's lack of wide tonal shadings is felt most keenly. In truth, as far as jazz is concerned, the unextensive dynamic range of the instrument is its main drawback.

Undoubtedly van Damme, an experienced, likeable, communicative musician, knows this and skilfully built his programme, mixing tempos and moods so that the listener never became restless, and selflessly distributing adequate but not excessive solo space to Len Skeat (bass), Allan Ganley (drums) and Dick Abell (guitar). The last-named, a refugee from the session world and not a familiar figure on the jazz scene, caught the ears with some consistently driving accompanying and assured solo work, notably on "Green Dolphin Street."

Art van Damme's skill in squeezing convincing and always swinging jazz from the cumbersome accordion won him a lot of admirers during his brief visit last weekend. Admittedly the evening might have been more absorbing if there had been a front-line instrument beside him such as we get when British accordionist Jack Emblow and trumpeter Johnny McLeavy get together. However enterprising Pizza Express proprietor Peter Boizot promises the return of this not-to-be-missed pair to his Dean Street establishment within the next few months.

Chardin in Cleveland

by FRANK LIPSIUS

The Cleveland Museum of Art is the richest in America—at the minute. Once the J. Paul Getty estate is sorted out, the museum founded by the oil magnate in California will receive some $800m, a figure that will make Cleveland's healthy $100m endowment look almost paltry. It is a prospect that no museum curator other than the Getty's can look on with equanimity. The disruption to the international art market is such that the Getty could walk off with prized catches at reduced prices because no other collector would dare even bid against its limitless wealth.

On the other hand, the Cleveland Museum provides a model of the different use of unbounded wealth (or at least enough money to keep museum entry free and add hundreds of new acquisitions a year). Like the Getty Museum, Cleveland's wealth is of relatively recent vintage. It came from the descendant of Marcus Hanna, the business man known to history as the confidant of President McKinley at the turn of the century. At his death in 1957, Leonard C. Hanna, jnr., gave the museum more than $50m along with his collection of 19th and 20th century art.

The museum has had a number of other benefactors over the years. The community it serves, which sits on Lake Erie in northeast Ohio, is a rich product of the industrial revolution. Numerous fortunes have been made there, and a surprising number of them were donated to the museum as cash, allowing professional curators to build the collection as they wished. Even without depending on the tastes of its benefactors, the museum has decided strengths and weaknesses. It acquired its first Raphael, a study drawing bought at the von Hirsch auction, only last year. Also last year, the medieval collection, beautifully housed in several rooms of the imposing museum, got its first cathedral sculpture—two unidentified and partially disfigured heroic heads. At the same time, the museum has been building a superb oriental collection for some time. The best represented 20th-century artist is Picasso, and the museum has an exquisite group of Fabergé eggs and objects made for the Russian czars within the last century.

The Cleveland Museum has the enviable capacity to exhibit some 80 per cent of its collection, thanks to two wings built in 1958 and 1970. Conscious of its need to bolster the weaknesses in the collection, the museum is constantly on the look-out for available items. But, as noted in the introduction to the museum's report on the six pieces it bought from the von Hirsch auction, "Great Renaissance works are virtually unattainable." Money cannot buy what is not for sale. The museum compensates for what it lacks by decorating rooms with period furniture. The galleries are organised strictly chronologically (and works are well identified with not only the information about the painting itself and the history of the works' ownership, but also the issue of the museum bulletin in which it is described). As a result, the works fit into an appropriate setting, but in some areas, like 18th-century Europe, the art is overshadowed by the ornate decorations.


'Soap Bubbles'

The latest wing also provides adequate space for visiting exhibitions, a programme the museum conscientiously pursues with a concern to make available at least on loan what it cannot have. There are as many as a dozen special exhibitions a year; the latest of which, on Jean Siméon Chardin, was organised by the national museums of France. With over 90 paintings and a support exhibition of still lifes by contemporaries, the Cleveland museum is obviously able to provide for the most extensive demands of travelling exhibitions.

In this special show, the very scope of Chardin's work makes a great impression. Known primarily as a still-life painter, Chardin built his career on what in the 18th century was considered more a craftsman's trade than an art. Nevertheless, he was accepted quickly into the French Academy largely as the result of a very early work, *The Ray Fish*, which portrays the fish in a vivid, just-killed state, surrounded by kitchen utensils, bottles and an observing cat.

Other domestic scenes are caught in *Jar of Apricots*, *The Cut Melon*, *Tinned Copper Pot* and *Mortar and Pestle*, works done throughout his life that show a taste for arrangement, colour and proportion if not much interest in depth and scale. Simple walls and ledges make up the background and foreground of such works, a framing device that lacks the compelling interest of even the simplest backgrounds of his figured works.

The cat in *The Ray Fish* was followed by a monkey in a corner of his otherwise still life large canvas, *Attributes of the Arts*. From there Chardin did splendid figures in simple but evocative scenes, works that in their demure luminosity, if not their religiosity, resemble La Tour. There are a few canvases with numerous figures, notably a now lost early commission from a surgeon who wanted Chardin to depict his trade—as practised in the street — for a signboard. Later works with figures involve lighthearted domestic scenes, like the young boys playing in *Soap Bubbles* and *The House of Cards*, where the figures concentrate very hard on the task in hand.

Late in life, Chardin went back to still lifes, but the culmination of his works, at least in combining his interest in domestic scenes and his ability with figures, comes out in paintings like *Woman Drawing Water from a Water Urn*, *The Return from Market*, *Saying Grace* and *The Governess*. In these, an active woman goes about her chores, some concerned with provisions, others with instructions to the young. The works make a comprehensive display of an artist who worked slowly but in the 80 years of his life portrayed a rich pageant of his fellow man, caught in the simple life that characterised the age at the end of the *ancien régime*.

Propping up the Bard

The Drama Studio in London arrived in New York with an amusing parlour game of a play called *Propping Up the Bard*. Judging from the accents emanating from the fresh faces on stage, the Drama Studio does a creditable job of training Americans in Shakespearean dialogue. So it is only appropriate that Patrick Tucker devise this compendium of Shakespearean scenes to test the wits of an American audience.

Presented in one of the new off-off Broadway houses in 42nd Street, the play consists of a dizzying number of scenes using such familiar props as rings, handkerchiefs, a skull, crowns, keys, and ghosts. The young actors and actresses pass the props round as they recite from a Shakespearean scene that requires them.

The interweaving of scenes works particularly well, as Portia's suitor, the Prince of Arragon, opens his silver box to find in it the "fool's head" of Falstaff, hiding from Master Page from the previous scene. The long succession of ring scenes — from *The Comedy of Errors*, *Twelfth Night*, *The Merchant of Venice*, *Two Gentlemen of Verona*, and *All's Well that Ends Well* — shows the Bard's unending inventiveness, while the crown scenes from the Histories make each character a memorable individual, from a young, apologetic Harry trying on his father's crown, to a manipulating Richard III, the latter ably managed by Frances Ketcham, who was forced into such an unpleasant role no doubt by the disproportion of two women on stage to every man.

Deborah Meyers had a strong and tuneful voice, while Marc Epstein proved to be a nimble Tybalt fighting Benvolio as well as a tongue-tied and shoe-tied Malvolio in the antics of the planted letter.

The production introduces the Drama Studio to New York in anticipation of its opening an American school in Berkeley, California. May the missionaries succeed without being devoured by the natives!

F.L.

WNO opens with 'Tristan'

Welsh National Opera's autumn season at the New Theatre, Cardiff, opens on September 8 with *Tristan und Isolde* conducted by Reginald Goodall.

Linda Esther Gray will sing Isolde opposite John Mitchinson as Tristan. The Dane Bent Norup makes his British debut as Kurwenal and Gwynne Howell returns to Wales to sing King Mark.

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Declining in comfort

MR. WILLIAM WHITELAW, reviewing the Government's first months of office on Sunday, conceded that its main failure had been in trying to impress on ordinary people the gravity of the crisis as the Government sees it. This naturally worries Ministers, since they are relying on some common understanding of our situation to persuade the public in general to appreciate the necessity for some painful cuts in welfare spending, and to persuade trade unionists of the necessity for rational wage settlements.

The latest figures for industrial output and retail spending go far to explain this difficulty; for they give a picture of an economy which is at first sight rather comfortably placed. Output is some 3½ per cent higher than a year ago. Consumer spending, as measured by retail sales, is rather more than 4½ per cent up—and the rise would be higher if car sales were taken into account: the relapse in July from the very high figure recorded in June, when goods at the old VAT rates were still available, is no more than expected.

Fools' paradise

In short, the economy is reasonably strong, and consumers are still enjoying the last days of the fools' paradise which follows any excessive wage round—the interval before prices catch up. This process was until recent weeks prolonged by the operations of the Price Commission, which slowed down the price response to costs.

The danger signs which have so depressed the leaders of industry and of the trade unions are more remote from the experience of the man in the street. The huge deterioration in the current account is an abstraction. The large rise in sterling increases the general feeling of wellbeing, except among those trying to book new orders against foreign competition. Only the high level of interest rates is felt by ordinary citizens — and even here they have been shielded by the delay in adjusting the most important rate for consumers, the mortgage rate.

A more detailed look at the output figures shows the other important influence which is masking unpleasant realities: rising oil output. This is responsible for well over half the growth of the last year, and has made part at least of our decline in competitiveness financially painless.

Unresponsive

The fact is that a combination of good luck and bad management (for the present Government has on occasion helped to shield consumers from reality) has helped to make both public opinion and the economy even more than usually unresponsive to new influences. Many years ago Dr. Beeching compared the economy to an ocean liner, which would plough on for many miles before showing any answer to a change in the helm. This seems to be especially true of an economy which is, as it were, self-refuelling. It must also be said that monetary influences alone have long been known to have a slow and unpredictable effect; it is only when monetary and fiscal policy work together that a change of direction can be achieved in a reasonable time.

While figures for the longer run make it clear how grave is the problem of decline—the recent "boom" figures for manufacturing output are still more than 2 per cent lower than six years ago—the immediate outlook does not seem to contain the threat of the kind of belt-tightening crisis which the public knows from experience. The expected rise in oil output will make it possible to right the balance of payments without any painful cuts in consumption, as credit demand moderates (which seems likely)—for there is no sign in the figures of any marked change in spending and saving behaviour.

Competitiveness

The threatened crisis is one of competitiveness rather than as in the past, of cuts in living standards through a further fiscal and monetary squeeze. The challenge to the Government remains to make this cushioned crisis apparent—and to resist, when it does become apparent, the calls for protectionist answers to it.

The war over phosphate

NORTH West Africa has been a region of conflict and tension ever since Spain suddenly abandoned its colony of Western Sahara four years ago. In the autumn of 1975, as General Franco lay dying, the Spanish government secretly agreed that the territory should be divided up between two of the three surrounding states, Morocco and Mauritania. There was no serious attempt to recognise the desire of the people of the territory for independence. Morocco's strong rival in the region, Algeria, supported the Polisario front, a guerrilla movement fighting for the independence of the Western Sahara, and soon both Morocco and Mauritania were embroiled in a major guerrilla war.

Economy in ruins

The conflict over Western Sahara has now reached a climax. Mauritania, its former political stability destroyed and its economy in ruins, last week signed a treaty with Polisario, giving up its portion of Western Sahara, the Tiris-el-Gharbia. King Hassan of Morocco has reacted by withdrawing the troops he had stationed inside Mauritania into the Tiris-el-Gharbia itself and effectively added it to the portion of the territory his country already held.

This prevents Polisario from setting up a government there but it does not make the future of the territory any clearer. There were already a number of Moroccan troops in the Tiris-el-Gharbia, and there are many more in the Moroccan area of the territory, but even with Mauritanian help they have not succeeded in holding more than the towns and major settlements of the territory, while the guerrillas control the arid spaces in between and harass communications. They also make occasional damaging raids into Morocco itself.

Escalating clashes

The Moroccan action is a major provocation to Algeria, while in the last few days there have been escalating clashes between guerrillas and Moroccan troops. Now Moroccan ministers are making warlike noises towards Algeria.

It is the furious rivalry between these two major raw material producers, which have been fighting a war by proxy over the Western Sahara for several years, that makes the issue important to the West. While Algeria is a big oil and gas producer, Morocco is the world's biggest phosphate exporter, and the desire for this commodity was one of the reasons Morocco moved into the territory: its own portion of Western Sahara contains large reserves of high quality phosphate, though virtually none has been exported since 1975 because of the war.

Neither Morocco nor Algeria has shown any willingness to compromise over Western Sahara. Algeria has staked a great deal of its prestige in the developing world on its support for Polisario and has the backing of an increasing number of African countries, while the seven-month-old leadership of Col. Benjedid Chadli cannot be seen to back down at this stage. Morocco is suffering both high inflation and economic austerity as a result of the desert war, but surprisingly, all Moroccan political parties, both on Left and Right, support the King in his assertion of what is seen as Morocco's historic rights in the region.

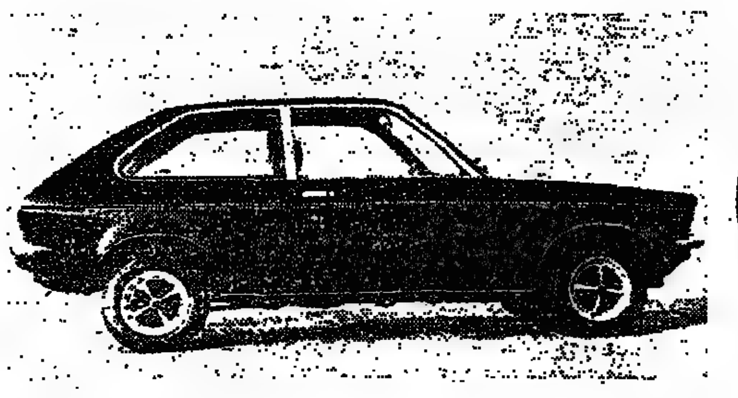
Frequent efforts at mediation over the past year appear to have achieved nothing. France, which as a former colonial power in both countries would theoretically be a good mediator, compromised itself at an early stage by its political and military support for Morocco.

Compromise

The U.S. is in a difficult position: it is increasingly dependent on Algerian supplies of oil and gas, and has provided Algeria with large amounts of credit to enable it to develop its energy resources. On the other hand it has traditionally supported King Hassan who came to the help of Washington by sending troops to Zaire last year and has shown himself in the past a useful mediator between the Arabs and Israel. The U.S. has lately, after some reticence, indicated willingness to increase its arms supplies to Morocco.

But despite their intransigence towards each other neither Morocco nor Algeria wants a full scale war, while the guerrilla war in Western Sahara itself looks unwinnable by either side. There must be a strong case now for Morocco and Algeria to compromise before the conflict escalates any further. The lesson of other African wars is that however illogical colonial boundaries may be, there tends to be conflict where decolonised people are not allowed self-determination.

One car by several other names . . . on the left Opel's Kadett, on the right Vauxhall's Chevette



This is the first of a series on the concept of the world car. Further articles will appear on Management Page, starting on Friday, and will look at the strategies of the world's two major car manufacturers and how the top components companies aim to meet the challenge.

The car majors embark on a revolutionary change of course

By KENNETH GOODING, Motor Industry Correspondent

DEVELOPMENTS in the automotive industry have tended to be evolutionary rather than revolutionary. But all that is in the past. Quite dramatic changes are now shaking the industry and will go on doing so throughout the 1980s.

There seems little to stop the big automotive groups getting even bigger or to prevent the structural changes which now seem inevitable. It will be a period of turmoil for the component suppliers in particular. And some observers suggest that the upheavals in the automotive industry will provide Western Governments with a major headache during the coming decade.

In crude terms, the world car concept enables manufacturers to maximise economies of scale in an industry where economies of scale really do matter.

In theory the company making a world car can produce a pool of strategic components from plants set up anywhere in the world to turn out parts on the most efficient scale possible. Other components would be bought in at a very low price because of the quantities required. The components would then be shipped to plants in the major markets to be assembled into cars which would match the local requirements.

That does not mean that world cars will look alike when they take to the road in different countries. Manufacturers will not compromise market acceptability by attempting to provide all things to all drivers in one package.

For example, Europeans would be reluctant to pay for some of the luxury fittings Americans desire as standard, or to put up with the loss of performance resulting from the installation of U.S. emission-control equipment in their vehicles.

So the commonality will be in engines, gearboxes, suspension systems and the like.

General Motors claims to have made the first real stab at producing a "world car" with its Chevrolet Chevette. Basically the same design of the Chevette is being built in the UK, the Opel Kadett in West Germany, the Holden Gemini in Australia, the Isuzu Gemini in Japan, the Chevette in Brazil and, until recently, the K-180 in Argentina.

Although it was very much a first attempt and by no means took full advantage of the cost savings which should arise from a world-wide sourcing policy, GM is satisfied that the concept is now firmly established.

All this is made possible because the energy crisis has been catching up with the U.S.

In the past, this market—the world's largest, absorbing 15.4m cars and trucks last year—has reacted very favourably to the edict of Alfred Sloan, the "father" of GM. He said that the way to keep car buyers happy was "Give 'em a little more each year." But a little more usually meant adding to the size and weight of the car.

Now, the automotive manufacturers have no choice but to pare down the weight of their vehicles. The U.S. Government insists that by 1985 the fuel consumption of American cars on a fleet average basis must be at least 27.5 miles to the American gallon (33 mpg to the Imperial gallon).

The manufacturers face other regulations which mitigate against fuel efficiency, such as emission-control equipment.

The companies will be able to meet the regulations only if most of the cars in their fleets are completely redesigned. No amount of tinkering with the old "gas guzzlers" could do the job.

As a result, the U.S. industry is wide open to new ideas, is looking at new technologies and considering different materials from those it has traditionally used.

While all this is going on, the U.S. manufacturers are having to meet increasingly stringent safety regulations also imposed by Government regulation and supervised by the National Highway Traffic Safety Administration (NHTSA). In the U.S., big cars have been perceived as "safe" cars and NHTSA will make sure that the downsizing which is going on will not be at the expense of safety. In the words of Joan Claybrook, NHTSA's administrator: "We want to save oil imports. But not at the cost of more lives lost and more people badly injured."

So the U.S. industry faces a massive expenditure programme to "re-invent the American car." In Detroit they frequently tell anyone who will listen that the cost over the next seven years is the equivalent of £50bn. "That's three times what the space programme cost and the space team didn't have to try to preserve market shares against importers at the same time."

The two majors use statistics in a variety of other ways to indicate the financial pressure they are feeling. Mr. Pete Estes, GM's president, said recently it had cost his company $2bn for each mile per gallon improvement achieved in raising the corporation's model range fuel consumption average from 12 to 19 miles a gallon since 1974. "But the cost is now $5bn a mile as the going gets tougher."

Ford put the problem in perspective by stating that it expects to spend $20bn on product programmes between 1978 and 1985, with 80 cents on every dollar going to meet Government regulations. Between 1970 and 1977 only $6bn was spent and only 25 cents in the dollar went to meet the regulations.

Given the huge investment involved, GM and Ford simply must spread the impact over as wide an area as possible. The "world car" provides a heaven-sent opportunity to do so.

Mr. Estes recalled: "When the full impact of the financial and technical challenge here at home began to sink in, we had one more good reason to look seriously at reducing product duplication on a truly worldwide basis, at the international sourcing of components as a way of reducing capital demands, and for a more fluid exchange of technology between North America and overseas."

The car assembly groups are not just strapped for cash. They are also short of engineers, designers and other skilled people.

So in the medium-term, at least, they are asking their component suppliers to share the load.

The suppliers are under some pressure to produce simpler, lighter versions of their current components or assemblies and to experiment with completely new techniques, materials and ideas.

In this context, it should be recalled that about 60 per cent of the cost of any vehicle is accounted for by bought-in materials and parts.

But the assembly groups are heavily committed to component manufacture on their own account, usually where the volume warrants the investment involved. Given the numbers likely to arise from "world car" production, there must be every chance that the assemblers will gradually increase their involvement in component manufacture.

The "world vehicle" concept makes just as much sense where trucks and commercial vehicles are concerned, although the U.S. is not likely to come quite as far into line with Europe for commercials as it is with cars.

But once again the longer term should see the major assembly groups making more of the components and assemblies which go to make up their commercial vehicle ranges.

The dangers in all this for the component suppliers are obvious. To start with, only those with a broad financial base are likely to be able to play a significant role in the "world car" era.

Suppliers which invest heavily in some high-technology product could easily find, given today's fast-moving conditions, that they have invested in technology already out of date and that the potential customer has turned to another company for its supplies. Assemblers will, as they have in the past, encourage suppliers to seek out new technology. But they will not necessarily tell a company which is seeking one solution that another company is attempting to solve the problem in an entirely different way.

"The automotive industry has always had to write off the cost of some projects which don't quite make it to the production stage. But this time there will be many more projects and hence many more risks for suppliers," is the way one commentator expressed it.

Both Ford and GM proclaim the coming of the "world car" as an opportunity for those countries without any automotive-connected industries of their own to get into the business. At the same time, the two companies complain about the growing tendency for countries to "protect" their fledgling automotive industries by means of tariff and other barriers, such as a requirement that each vehicle should have a certain level of locally-made components in it.

Alex Cunningham, the GM executive in charge of overseas operations, says: "We expect to see more requirement for local content than we have had before. We recognise the balance of payments issue. But we feel strongly that if developing countries want to take advantage of economy of scale, then they must establish their local content regulations with the idea in mind to allow certain import-export credits. For this reason we would like governments to give us the responsibility of having our operation provide a balance of payments surplus."

The group has succeeded, after intensive and involved lobbying, in going a long way down this particular road in Australia.

GM wanted its Australian subsidiary, Holden, to play a major role in the development of a forthcoming "world car," which the group has dubbed the "J" car, and which is due to be launched in mid-1981. But to do so Holden had to find a way round the Australian requirement that all cars must have an 85 per cent local content (a requirement designed to protect the local industry from the Japanese, just across the water).

This has been achieved because GM has promised to export four-cylinder engines for the "J" car from Australia and the Government has said it can, on a dollar-for-dollar basis, import components such as transmissions and axles without paying the penal duty the local content regulations would otherwise involve.

That deal being arranged, GM has gone ahead with a $U.S. 210m engine plant in Australia which will export two-thirds of its annual 300,000 output.

The Australian Government is satisfied; it has a new engine plant and the jobs that it will provide. GM is satisfied: it can get the enormous economies of scale it was looking for with the "J" car. And the way is open for other groups, in particular Ford, Nissan and Toyota, to seek similar concessions from the Australians as their "world cars" come into production.

GM has won a similar deal from the Brazilian authorities.

But the car manufacturers are having to tread very carefully in their negotiations with various governments around the world. The point they want to make to those countries not yet involved in the automotive industry is that they can be, because the "world car" enables nations of varying size and technology to share the manufacture of parts and components for assembly into common vehicles.

Yet, as Donald Petersen, Ford's executive vice-president for international operations, made clear: "The interplay of pressures we foresee for the 1980s requires that host countries leave no doubts as to the rules which permit auto manufacturers to operate. Any changes must be made with sufficient lead time to make them feasible and fair."

This message, and the one that suggests that countries which do not jump on the bandwagon while the going is good might be left off for good and all, is being put over by the manufacturers and they must be careful not to appear to be bullying governments into submission.

But the fact is that 70 countries, including 21 of the 24 industrialised nations in the OECD, have automotive component, manufacturing or assembly on their soil. "And the central policy issue facing governments in traditional auto-producing countries is the effect on their domestic employment of changes in the structure of the world's auto industry as it adjusts to overall demand in the 1980s," Mr. Petersen said.

To take one example close to home, some 8 per cent of Britain's working population could be affected by the changes—or 2.9m people.

There is a wide body of opinion both within and outside the automotive industry which subscribes to the theory that only those companies producing at least 2m units a year will be contestants in the world market battle of the 1980s.

Only eight companies fell into that category last year: General Motors and Ford of the U.S., Toyota and Nissan (the Datsun group) in Japan and in Europe, Fiat, PSA Peugeot-Citroen, Renault and Volkswagen.

Mr. Petersen maintained: "I'm certainly not suggesting that Rolls-Royce, Mercedes Benz and other lower volume, high-quality producers should start to worry. But it is obvious that many smaller specialised companies are going to survive only in marginal or protected domestic markets. Few of them can afford the astronomical costs of developing new models without associating with larger companies or turning directly to government for loans, subsidies or even partnerships."

Government involvement with the automotive assembly groups is nothing new in Western Europe. Renault has been wholly owned by the French Government since 1945; BL is 95 per cent UK Government controlled and the West German authorities have a 40 per cent stake in Volkswagen. (GM sums this situation up by saying that 36 per cent of all motor vehicle sales in Western Europe are made by companies which are at least partly owned by government).

So far, however, the component suppliers have not had such protection. And it is the component industry which seems likely to suffer the most casualties as the automotive sector adjusts to "World Car" production.

MEN AND MATTERS

Sniping at the bounty hunters

The admittedly long-overdue fare increases granted to London taxi drivers have not ended what many regard as the pernicious system of paying drivers commissions. There is nothing secret about commissions. Every taxi trade magazine carries advertisements by night clubs showing what they are prepared to pay drivers for ferrying customers—preferably single men — in their direction. The current issue of Taxi, for instance, carries a half-page advertisement for a club boasting hostesses and striptease — and, more important from the reader's point of view £12 commission a head for men and £5 for (less exploitable) couples.

Few club owners have put up any resistance to a system which began with half-crowns pressed into expectant palms. One exception is Jimmy O'Brien, 59-year-old proprietor of the long-established Eve Club in Regent Street. "Some drivers say we've burned down," he tells me forlornly. "Others say the place is not what it was or there's been a fire in the kitchen.

"One musician I had hired was turned out in Hyde Park in the rain for insisting he wanted to come here. . . . It's affected our business enormously — if you lose 30 per cent of your custom, obviously it makes things rock a bit."

The story of the Eve Club's demise by fire has been told to other, more independent passengers such as David Jones, of the British Tourist Authority, who deplores the whole practice. But it is regarded in other quarters as no worse than advertising, and just as inevitable.

None of the complaints arouses much more than impatience, however, in the breast of Harry Feigen, general secretary of the Licensed Taxi Drivers Association. The rise in sterling had given the night clubs "a good hiding," along with everyone else dependent on foreign tourism, he told me. The clubs making the complaints were simply "out for free publicity. You might get the occasional rogue cab driver —we're no different from anybody else. But you couldn't make a living out of it," he says. "Most people have already had a club recommended to them by hotel porters. Cab drivers get the occasional one who's escaped the dragnet."

The real commissions, says Feigen, are going to head porters: "That's why head porters all retire early and have villas in the South of France. You didn't know that, did you?"

Togetherness

Frank Chapple, leader of the nation's 400,000 electricians and plumbers has been receiving a great deal of sniping lately for an innovation by one section of his membership—the acceptance of pay beds through BUPA. He will be on equally delicate ground next month if he decides to go along to a private seminar of the Working Together Campaign (WTC).

Chapple is on the council of management of WTC, a somewhat obscure body which receives funds from big business, including Marks and Spencer and Taylor Woodrow—both committed Tory backers.

The seminar will be at St. George's House, Windsor Castle; the topic will be "The Future of Work." One theme will be the need for workers and employers to embrace the realities of the silicon chip revolution. This is not a line which commends itself to most of Chapple's colleagues in the TUC.

The Working Together Campaign has its office in Marsham Street, S.W.1, in a flat of which the lease is owned by Lord Kagan, joint deputy chairman of the organisation. Its director is Jack Lee, a former adviser on industrial relations to Shell International.

Among Chapple's colleagues on the WTC council are Sir Frank Taylor, Sir John Reiss and Sir John Boyd, general secretary of the Amalgamated Union of Engineering Workers. Another member is Sir Trevor Lloyd-Hughes, once a public relations adviser to Sir Harold Wilson in Downing Street.

Sir Harold has spoken at WTC gatherings. "I think he is the only Labour speaker we have had," says an official, rather sadly.

Academic damper

General Zia-ul Haq's avowed desire to promote "real democracy" in Pakistan might have prospered much better if he had kept quiet about the German Reichstag. As it is, the main political parties have come out against his idea of introducing proportional representation in the November general elections.

It seems that Zia's open letter to politicians three weeks ago caused general bafflement—not so much because of his criticism of the British system which Pakistan now uses, but through his obscure historical references to what happened in Germany in 1872. The country was left with the impression that it was not being offered anything especially new or progressive. There were also fears that voting complexities might delay the elections.

The open letter, so it is said in Islamabad, had quoted word for word a large slice of some draft suggestions by a visiting German professor. A high-level delegation has just been in West Germany to pursue the study of electoral reform. But the latest demand for keeping the first-past-the-post system, coming from the Pakistan National Alliance, puts Zia and his would-be reformers in an acute dilemma.

Book mark

A new category has been added to the wide range of small companies given help by the Industrial and Commercial Finance Corporation: rare books. It has put up £180,000 to help in the purchase of a venerable business in the Marylebone High Street, London.

The trio being backed by the ICFC is spearheaded by Alan Mitchell, a 31-year-old book dealer whose clients include Kissinger. With him is George Wisz, who has given up his job as a credit analyst with Chase Manhattan in London. The third man is Humphry Winterton, a lawyer formerly with the World Bank but now based in Nairobi; he will be non-executive chairman.

They have convinced the ICFC that Sidney Edwards Ltd., the rare books firm, is capable of being much expanded. For some years it has been run by a trust for the family of the founder, with a turnover of £500,000 a year. Mitchell and his colleagues have already moved in, dusting down the volumes and re-organising the indexing. They forecast £1m turnover next year.

The new owners of Sidney Edwards will continue to specialise in travel and geography. But they intend to take a stronger position towards the big auction houses, which they believe have been creaming off a lot of the trade which formerly went to the independent dealers in rare books.

It may seem a strange terrain for the ICFC. But nobody can quibble with a business whose assets have been going up in value by 30 per cent a year during most of this decade.

Should go far

"How many of those yellow sweets will I get for 10p?" a small girl asked the proprietor of a Hampshire village store, pointing to a glass jar on a shelf.

"Oh, 10 or 12," the proprietor said.

"All right," she replied, "I'll have 12, then."

Observer

هكذا من الأصل

The era of discriminatory television

Video ready for mass market

By John Chittock

DURING THE recent trades union black-out of ITV channels in Britain, a small sector of the population began to discover for the first time the independence offered by their latest consumer luxury: the family's videocassette recorder. Referred to by Sony (in its U.S. defence of a copyright law suit) as merely a "time shift machine," the videocassette recorder has heralded the era of what some have called discriminatory television.

Confirmation of the concept, and of the seriousness with which this industry must now be regarded, came last month when *Which?* magazine published its first analysis of video recorders. The importance of the time shift concept was underlined by many owners who wrote to *Which?*: "I now watch only the programmes I've selected to watch, and consequently I watch the television far less than before"; and "has a considerable effect on the way we lead our lives and we would not want to be without one now."

The programmes currently viewed by most video owners have been recorded by them from television broadcasts — generally in breach of copyright (hence the test case against Sony for allegedly encouraging this practice). The situation is now beginning to change, however, as more pre-recorded programmes are becoming available for purchase and rental. With video discs also on sale in the U.S., a new name has been invented to cover both cassettes and discs — the videogram.

In the UK, a rash of announcements in recent weeks confirms that many companies and organisations now believe that the videogram is a medium with a significant economic future. Granada TV Rental is about to offer a range of feature films on videocassettes; 20th Century Fox has launched a London video-cassette distribution company through its subsidiary Magnetic Video; a breakthrough agreement has been negotiated with the unions concerning videogram royalties; and Kay Laboratories has complemented its film processing activity by opening Europe's largest videocassette copying plant, one of a number now based in London.

Royalties

The union breakthrough has been negotiated by the Independent Television Companies Association (on behalf of the 15 ITV stations). Until now, most broadcast television material of entertainment value has not been available to the videogram market because existing union agreements made no provision for royalty payments. Now Equity (for the actors), the Musicians Union and the Writers Guild have jointly agreed a formula with ITCA which will bring their members a royalty on videogram revenue of 15 per cent or 35 per cent, depending on whether the television company or another distributor handles the exploitation.

The BBC is currently involved in similar negotiations, and when these have been satisfactorily settled it is clear that BBC Television intends, through its company, BBC Enterprises, to become one of the UK's biggest suppliers of home video programmes. Film copies of some BBC programmes which do not involve complex residual agreements are already available through the 16 mm non-theatrical library of Guild Sound and Vision, but these are mainly intended for educational and institutional users. The big promise comes with the commercial arrival of video disc players—still in short supply in the U.S. and possibly due in Britain late next year. When that happens, BBC television programmes will probably become available on discs under the BBC's own record label—as happens with audio at present.

The mass market attraction of video discs is that they are cheaper than video-cassettes, even though video-cassettes are getting less expensive as technical improvements are made. Possibly half the distributor's costs in a video-cassette programme goes into raw tape and duplicating charges—about £10 is a typical figure quoted for a feature film by one distributor. This element of the cost of video discs will be measured in pence rather than pounds according to Mr. Donald MacLean, managing director of EMI Audio Visual Services.

Longer playing video-cassette systems are on their way, such as the eight-hour Philips V2000, and the remarkable Toshiba fixed head machine which uses an endless loop cassette of only 17 seconds duration which, by successively scanning each of 220 parallel tracks of its 12.5 mm width, yields one hour's playing time in 220 passes. Since all video-cassettes have to be duplicated by real time transfer, the practical advantage of this is that one hour can be copied in only 17 seconds, making it a serious rival to the disc.

With the growing number of incompatible systems, the technical confusion surrounding videograms seems to worsen as each day passes. But video-cassette recorders and video disc players (which do not permit user recording) each have their own advantages and the home of the future may well have both. Whereas video-cassette recorders allow user recording from broadcast television (or from cheap video cameras), their programmes are of lower technical quality than those on video discs, especially in terms of sound reproduction.

For the programme makers this is an important difference because all the early signs in the business indicate that music is going to be a top-selling subject. EMI's first programme, made specifically for videogram distribution (but coincidentally screened by BBC last Christmas), was of the King's College Choir at Cambridge; other UK companies in the video distribution business, such as Audio + Video and VCL, have shown a tendency to specialise in music programmes, presenting top artists such as Shirley Bassey, Duke Ellington and Tina Turner. Even The Who are going into video disc production—reckoning that it will radically transform the pop music industry. EMI's proposed deal in selling a half share of its music business to Paramount Pictures will inevitably lead to videogram releases of music as well as feature films.

Subjects of debate concern how many players will the public really buy, what kinds of programmes will it want, and what impact if any will these developments have on broadcast television, the cinema, and, perhaps, conventional publishing?

The numbers game is loaded with guesswork and controversy. Those who claim that this industry is something of a South Sea Bubble too hastily forget that it is only about five years since the first videocassette recorders for the home were launched in Britain—then only by Philips. Extensive consumer marketing efforts started in the U.S. only two years ago, and in Britain little more than 12 months ago, when Japanese competition arrived in force; previously, activity had concentrated on industrial customers. Nonetheless, the number of all machines in Britain (including industrial models) increased from about 5,000 in 1975 to 136,000 in 1978 —a rise comparable with that of television receivers in Britain from nil in 1946 to over 126,000 in 1949.

The present number of home video recorders in Britain is about 90,000 and various projections suggest that this total will rapidly rise to anything between 150,000 to 250,000 in the next 12 months. The bulk of them are Japanese-made, and their own forecast of total output for 1979 is over 1.8m units, of which 1.3m will be exported.

After much speculation, debate and even a little research no one knows what kinds of programmes the public will eventually prefer. Movies have dominated video-cassette sales so far, but popular feature films are also high on the list. One best-selling chart, compiled by the U.S. publication *Home Video Report* puts in the current top 10 list titles such as *M.A.S.H.*, *The Sound of Music* and *Patton*. These three are distributed in the U.S. by Magnetic Video Corporation and will be among the first British releases of the new London subsidiary of this 20th Century Fox company.

New approach

Some videogram producers have expressed the view that the medium demands a totally new kind of programming. EMI, for example, have spent some money on making experimental productions where the visual element dominates as an integrated part of the sound. MCA, the U.S. company which owns Universal Pictures and is providing video discs for the Philips/Magnavision player, is now seeking disc material which has high quality sound and "slick" visuals. A new U.S. venture, The Videobook Company, is issuing 25 cookery books each of which comes packaged with a related videocassette.

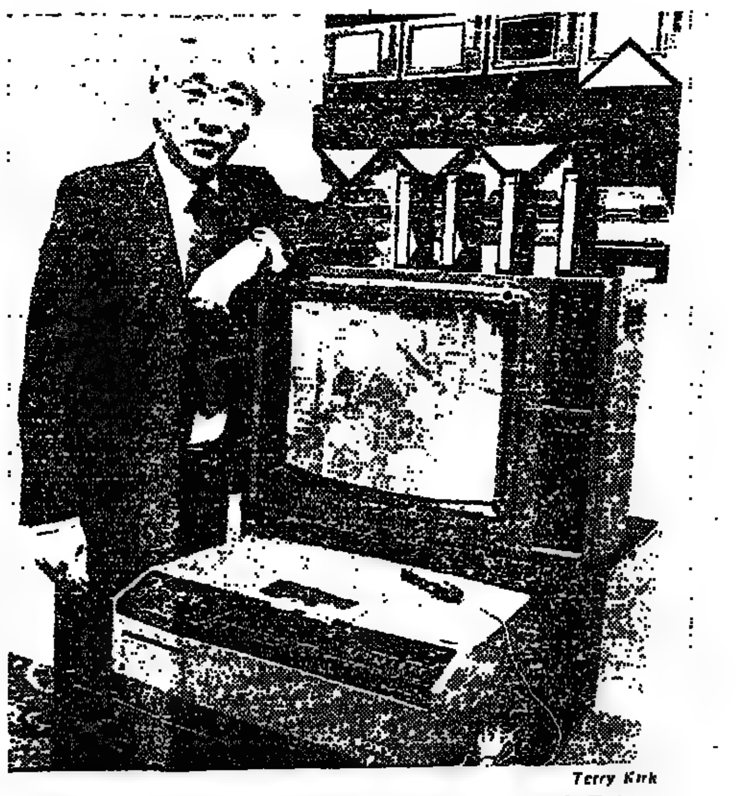
One approach to videogram programming is summed up by the policy of one of the current UK market leaders in distribution — Intervision. Its managing director, Mr. Richard Cooper, says "we entertain the parts that others cannot reach." This is more than a euphemism for adult movies; it is a recognition that broadcast television and the cinema cannot readily appeal to minority interests, but programmes which can be sold like books over an extended period of years may well justify the investment.

Minority audiences have already demonstrated their appetite in the long-established but economically insignificant market for 16 mm films.

Only a few years ago, most broadcasters in Britain dismissed the idea that video was of any relevance to them. One of the few believers, Granada Television, has now started to release video cassettes of some of its TV programmes through Granada TV rental shops. Thames Television is expected to make an announcement of plans in the near future. As a pointer to BBC intentions, the Corporation is about to release videocassette copies of the first six plays in its prestigious Shakespeare series —but initially only to institutional users.

The film industry is also at last taking action to meet the demands of this new market. As well as Universal, 20th Century Fox, EMI and Paramount, others with distribution projects or even newly-formed video divisions include Rank, Columbia, Allied Artists, United Artists, Walt Disney and Avco-Embassy.

Book publishers have long been eyeing the video market, anxious not to be left out but nervous of repeating the unhappy experiences of Macmillan with 8 mm film (an educational venture that failed) and Axel Springer with video discs (a project that flopped because the system, pioneered by AEG-Telefunken, had too many shortcomings). Nonetheless, in the U.S. many of the big publishers now have video divisions or significant commitments to this new medium—such as McGraw Hill, Time-Life and Doubleday. In Europe, Librairie Hachette, Ullstein and IPC are just a few of the many whose interest has extended to some level of investment.



Terry Kirk

Sony chairman, Mr. Akio Morita, with the company's Betamax video recorder: a "time shift machine."

Other familiar names in Britain are preparing for the retail end of the business, such as W. H. Smith which starts in October with pre-recorded video-cassettes on sale in 20 selected stores. Heavy hints of other retail chains joining in make it clear that Dixons, Boots and Woolworth may well be among other high-street outlets.

For publishers, distributors, retailers—and above all, the programme producers—it promises a big new market. The question marks hang heavily over the broadcast television companies, the cinema owners and those involved in industries solely dependent on sprocketed film such as film laboratories and film stock manufacturers.

No one is seriously suggesting that broadcast television services will suffer any economic harm; indeed, the market for their programmes is merely extended. But the nature of broadcast television services may well be affected, with non-perishable and repeatable programmes finding richer outlets in the home video business, leaving TV to tackle news, current affairs and more topical subjects.

The cinema industry is currently enjoying a respite from its past recessions, but paradoxically the number of films produced is declining; in Britain the peak of 421 full-length movies released in 1957 had declined to 318 in 1977 and 286 in 1978. This contraction in production reflects the move to bigger and more expensive films, but it is a situation that few other industries could feel comfortable about—reduced output with rising unit costs.

Once it was broadcast television that the cinema saw as a threat, to the extent that it initially tried to ban its products from television. Now that both of these industries are eyeing a new competitor, and the cinema has discovered that television can be a useful customer rather than a rival, co-operation may offer the best guarantee of growth in the future. The product is common to all and only the methods of distribution or exhibition differ.

Letters to the Editor

£100,000 a year salesman

From the Deputy Managing Director, Marketing Improvements

Sir,—How splendid to read from the company report of GEC that one of its salesmen was paid no less than £100,000 in salary and commission in its last financial year.

I admire GEC management for providing the climate in which such sales talent can grow and be handsomely rewarded. The one shadow was the reported mention that the company was changing the incentive scheme under which the salesman was able to earn such a figure.

If this happens other salesmen who might have been bucked by this achievement of a colleague will smile wryly recognising the almost inevitable reaction of most companies when such earnings occur. The job of management is to get planned sales results achieved through the sales force and to provide incentives that will motivate the sales force to achieve them.

And the fact that some salesmen end up earning more than their managers is a healthy one. After all it is time that British managers in particular realised that the management job is not a superior one to that of the salesmen; just a different one.

John Lidstone,
Ulster House,
17 Ulster Terrace,
Regents Park Outer Circle, NW1.

The size of commissions

From Mr. P. Friesner

Sir,—Connoisseurs of the symptoms of the English disease will have noted without surprise the tone of the item included in the BBC news (Aug. 10) on the subject of a GEC employee earning twice as much as the chairman, by way of commission.

Instead of pride in achievement, we were treated to a mixture of apology and defensiveness, combined with the promise that steps would be taken to ensure that it won't happen again.

One wonders whether this attitude was generated by the BBC or by GEC. Are they (whoever "they" are) aware of the size of the commissions earned by employees of GEC's major overseas competitors? Do they realise that commissions are paid for success?

As director responsible for marketing, I look forward with anticipation to the prospect of all members of my department achieving remuneration that is twice my own. My company—and the country — will have benefited considerably in the process.

Patrick Friesner.
Viscom Production,
Viscom House,
6-7 Great Chapel Street, W1.

Distribution of wealth

From Mr. J. Cox

Sir, — The distribution of shares in North Sea oil to every adult citizen of Britain, as proposed by Samuel Brittan (July 26), would lead very rapidly to a further concentration of wealth of the very sort which Mr. Brittan finds offensive. For over 200 years enthusiasts for the market economy have refused to recognise one fundamental fact: it is the free play of market forces itself which generates unfair inequalities of wealth. Socialists, on the other hand, have refused to recognise what Mr. Brittan sees clearly: Government ownership is not public ownership, the Government not being identical to the public.

There is a solution to this problem which combines public ownership with individual liberty. The Government should be compelled to declare a yearly national dividend, based upon the earnings of all publicly owned resources, which would be distributed equally each year to every adult citizen. Each individual could dispose of the money as he sees fit. Any concentration of wealth would be the direct result of individual thrift, since there would be no shares for anyone to accumulate and everyone would retain an equal share permanently. The public would have a very immediate stake in the efficiency of the public sector.

Neither party is likely to support this proposal, however. The Conservatives support the market economy precisely because it generates lucrative inequalities. Labour supports public ownership only when it augments the power of the state.

Jeffrey Cox,
Assistant Professor
(Department of History),
295, Schaeffer Hall,
University of Iowa,
Iowa City, Iowa 52242.

Catering pay

From Mr. D. Hearn

Sir,—It seems inevitable that every commentary on wage rates in the hotel and catering industry will fall into the trap of comparing average earnings for hotel and catering staff with the national average wage for all workers. The implication seems to be that the industry should pay rates equal to or above the national average. By definition, any "average" is made up of rates above and rates below the mean. If all the rates below the average were brought up to its present level, then inevitably the new average wage would be that much higher and the new rates would immediately become below average.

Nick Garnett (August 8) appears shocked that staff living in at their place of work can have £10 per week deducted from wages to cover room and full board. Your readers may wonder where they can obtain a room alone for £10 per week, much less one which is furnished, heated and lit with three meals available for seven days a week. It is also relevant that the staff concerned have no travelling expenses, unlike most commuters who spend more than £10 per week on fares alone.

There are over 2m people employed in the hotel and catering industry. It is no accident that only a very small proportion of them are members of a trade union. Hotel and catering staff are generally in close and frequent touch with management. They see no advantage in the intervention of a third party.

Your article refers to the unions' lack of strength and consistent failure in "industrial battles." The reason for this failure is that the ideology of the unions concerned is out of character with the nature of the vast majority of the people employed in the hotel and catering industry who are an exceptionally happy and contented workforce. I am sure that is how our customers would like them to remain.

Dennis Hearn,
Trusthouse Forte,
86, Park Lane, W1.

Legal aid in Europe

From the Secretary, Legal Aid, The Law Society

Sir,—"Justinian" saw fit (August 6) to imply that the Law Society has been "backsliding" in its commitments to the European venture by being reluctant to grant legal aid for oral representation before the European Court at Luxembourg. With respect your correspondent appears to have confused the Law Society's role in criminal legal aid with that in civil legal aid.

The Law Society is not the authority responsible for the issue or control of criminal legal aid which is a matter for the court concerned. The only function of the Law Society is to assess payment of costs in magistrates' court cases on the basis of "fair remuneration for work actually and reasonably done." The Bouchereau case was one in which a criminal legal aid order was issued, and as your correspondent pointed out, the ruling of the Lord Chief Justice was only on a matter of principle, and he "left to the legal aid authorities the issue of the precise costs to be covered." The Law Society's only function in such a case is that if, under the legal aid order, solicitors and counsel have represented the assisted person at an oral hearing in the European Court, the area committee must be satisfied that the work has been "actually and reasonably done" and costs will be assessed and paid accordingly. It is true that a bill containing such costs will be approached with caution, as would any bill involving considerable expense, whether involving proceedings in this country or otherwise, but that must be expected where public money is involved. The Law Society can control the grant of legal aid in cases involving civil legal aid only, and the authority of an area committee is required for extension of a legal aid certificate to cover proceedings in the European Court where theres is a reference to that court for a preliminary ruling. Understandably in a matter where so far there has been little experience, applications for such authority are bound to be treated cautiously, and to be dealt with on a basis of authority first of all being given for written representations, followed by consideration at a later stage of the necessity for an oral hearing if application is made. This again is on the same basis as civil legal aid would be granted for expensive proceedings in this country, and such caution would not seem to be unjustified.

"Justinian" refers to a recent declaration by the Law Society as a matter of policy, but the only document so far issued by the Law Society has been to its area secretaries, following the case of Bouchereau, in an attempt to interpret that case with regard to civil proceedings, and in 1977 when such instructions were issued, it was thought that it was likely to be rare for an oral procedure to be used. In fact the Lord Chancellor's advisory committee said in its Report (1976-77) in respect of the Bouchereau case that "although legal aid under the 1974 Act plainly should be available for those proceedings in the European Court it should not necessarily be available automatically and without reservation. The procedure in European Courts is different from that of courts in this country, and while legal aid will usually be needed for the written stage of the proceedings it may not always be necessary for the oral hearing."

The policy of the legal aid authorities cannot fairly be called "obscurantist." Each case is dealt with on its merits, both as to assessment of costs in the criminal case and grant of a certificate in the civil case. The working of legal aid is under constant review, and due account would be taken of changes in the procedures of the court itself.

David Edwards.
113, Chancery Lane, WC2.

Objectives of advertising

From Mr. P. Hague

Sir,—The objectives of advertising are jointly or separately to persuade, to educate, or to inform. Every manufacturer or provider of services seeks to make his product or service appear unique in some way so that "consumers" will not hesitate in demanding it to the exclusion of all others. Whether this is achieved by adverts which are humorous, catchy, intriguing, exciting or simple statements, is the decision of the advertiser and his agency.

Chris Dunkley, in "Illusive Images" (August 8), takes a holier-than-thou attitude on the subject. He cites with the use of a number of carefully chosen examples how advertisers can create the illusion in their adverts that they are offering selling propositions which are unique. It is true that some adverts do stretch a point when making claims for their products and yet this has become a necessary evil in a world where the unique product is rare and many are undifferentiated. I must agree with Mr. Dunkley that the toothpaste manufacturer who states his toothpaste can, with regular brushing, mean up to 30 per cent fewer fillings, would be more decent, honest and truthful if he stated the benchmark against which his claim is made.

Mr. Dunkley, however, left us with the impression that if adverts are illusive in any way or use common parlance instead of perfect English they are to be mistrusted or derided.

Paul Hague.
Business and Market Research,
The Court,
High Lane, Stockport.

Today's Events

GENERAL

U.K: Mr. James Callaghan, Leader of the Labour Party, speaks in London on the split in the Party to executive councils of the Iron and Steel Trades Confederation and National Union of Blastfurnacemen.

Association of Cinematograph, Television and Allied Technicians and the Independent Television Companies Association in joint talks with Advisory, Conciliation and Arbitration Service on pay dispute.

Statement by National Freight Corporation on energy saving campaign.

The Queen, accompanied by the Duke of Edinburgh, opens Western Isles Island Council headquarters, Stornaway.

Mr. Norman Lamont, Parliamentary Under-Secretary of State for Energy, visits Bacton Gas Terminal, Norfolk, and offshore platform Leman Bank Field.

Tenth anniversary of first troops into Northern Ireland.

Mr. John Stonehouse, former Labour Minister, released on parole from Norwich prison.

Overseas: China and Vietnam meet in Peking for tenth session of peace talks.

Sir Kenneth Cork, Lord Mayor of London, in Tokyo.

COMPANY RESULTS

Final dividends: Gresham Investment Trust. Group Investors. Letraset International. McKay Securities. *Interim dividends:* Commercial Union Assurance. Davies and Metcalfe. Morris and Blakey Wall Papers. Smith and Nephew Associated Companies. A. G. Stanley (Holdings).

COMPANY MEETINGS

William Leech, Royal Station Hotel, Newcastle, 12. Racal Electronics, Charing Cross Hotel, W., 11.45. Standard Fireworks, Standard House, Half Moon Street, Huddersfield, 12.

CITY OF LONDON LUNCHTIME MUSIC

St. Lawrence Jewry-next-Guildhall, Gresham Street, E.C.2., organ recital by Margaret Phillips, 1 pm.

Bernard Sunley reduces bank loans to £5.5m

Bernard Sunley Investment Trust, the property group which is currently the subject of a bid from Eagle Star Holdings, announces a sharp reduction in borrowings for the year ended March 31, 1979.

In an announcement accompanying the preliminary results the group reveals that bank loans and overdrafts have been cut from £45.56m to £13.73m over the 12 months and subsequently there has been a further reduction of £8.2m.

Long-term borrowings were reduced in the year by £7.93m to £20.98m. *As a result of these* repayments there has been a further significant improvement in the borrowing ratio.

Total net assets at the year end show an increase from £56.85m to £60m—equal to 375p against 355p per share.

Net property income in the year shows an increase from £3.67m to £4.68m. Trading profits are lower at £3.15m against £4.31m reflecting a downturn by the contract building side from £4.83m to £3.14m and further losses of £594,000 (£662,000) by the Isola 2000 ski resort interests in France, which have now been sold.

	1978-79 £000	1977-78 £000
Rents receivable	7,276	8,322
Rents payable	1,299	1,315
Net rents	5,977	4,907
Expenses	1,297	1,237
Net property income	4,680	3,670
Trading profit	3,152	4,311
Contract building	3,139	4,825
Housing loss	40	436
Isola 2000 loss	594	662
Jamaica loss	3	164
Prop. & share dealg.	644	703
Sundries	6	45
Net interest	5,022	5,531
Share of associates	887	192
Surplus before tax	3,697	2,642
Taxation	2,255	2,146
Surplus after tax	1,442	496
Extraordinary debit	18,979	813
Debenture surplus	6,810	—
Net deficit	10,727	317
From capital reserve	12,169	813
Dividends	800	696
Forward	4,288	3,648

In accordance with SSAP 6 the provisions made in previous years amounting to £15.82m against losses on the properties and investments sold in 1978/79, have been transferred to the profit and loss account, being losses now realised. The major part related to Isola 2000.

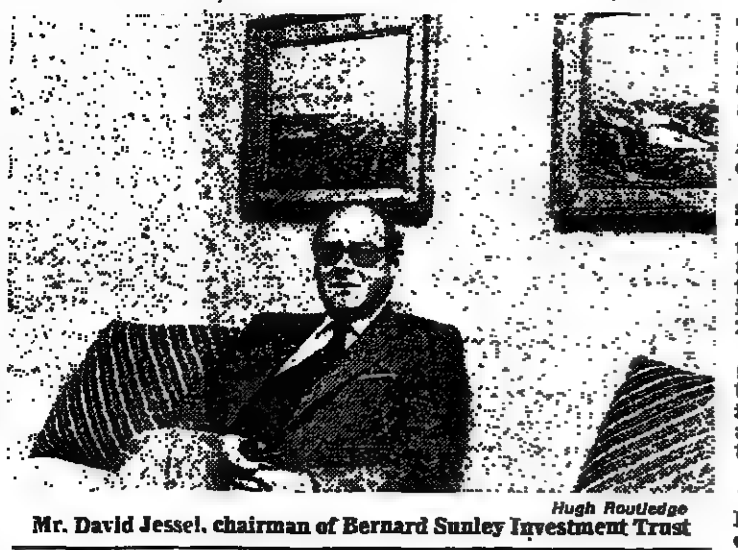
This is treated as an extraordinary item as is an amount of £3.16m (£1.19m) being the excess of book values over amounts realised on the sale of properties and investments, which includes the terminal loss *of £8m on the sale of Isola.*

Earnings per 25p share before extraordinary items are stated at 9.01p against 3.10p. The dividend is increased from 4.35p to 5.0p, with a final of 3.35p.

The sale of Isola 2000 should result in an increase of some *£0.8m net in the group's revenue* surplus in a full year.

The consideration for the sale has not yet been finalised but will be around £2.3m. This has been satisfied by the purchaser assuming £1.8m local French franc borrowings and the balance in cash has been used to reduce the group's foreign currency borrowings.

See Lex



Hugh Routledge
Mr. David Jessel, chairman of Bernard Sunley Investment Trust

Vibroplant £0.56m rise over year

FROM A turnover rise of £1.67m, Vibroplant Holdings has increased its profit by £563,000 to £3.17m for the year ended March 31, 1979. This reflects a slowdown of growth in the second half.

And the dividend is lifted from 10.6265p to 12.402p net, with a final of 7.98p. Earnings are shown to be 12.96p higher at 33.83p.

	1978-79 £	1977-78 £
Turnover	11,156,880	9,485,011
Profit before tax	3,172,489	2,609,442
Taxation	1,142,713	1,356,910
Net profit	2,029,776	1,252,532
Dividend	496,080	392,554

The profit increase was split as to £372,000 in the first half and £191,000 in the second half.

● comment

Vibroplant has done well to *enlarge its pre-tax profits by 21.6* per cent in a year which included harsh winter weather and the *transport strike. This perform*ance can be explained in part by the increase in volume (turnover is up by 17.6 per cent); oil-related work continued to grow and there was road repair and maintenance work resulting from winter damage. Higher rates also helped earnings to improve. Although much smaller than competitors like Hewden-Stuart, Vibroplant is strong in its field, particularly with its specialised Airpac division, which handles compressors for industry and the oil sector. This specialised service, together with petrochemical works in Teesside and other business in Aberdeen, helps to explain why the group has been doing well, despite the current slump in construction that some analysts see. The 1979 dividend is up by nearly 17 per cent, yielding 8 per cent at 230p, up by 15p yesterday. This is covered 2.7 times. The p/e stands at 6.6. Vibroplant has demonstrated steady growth for the past eight years. Although the construction market can turn for the worse, the group's current performance makes it an organisation worth watching.

ARBUTHNOT SECURITIES

Arbuthnot Securities has obtained the services of Allen Harvey and Ross Investment Management as investment advisers to its two gilt edged funds: Arbuthnot Government Securities Trust (in Jersey) and the Arbuthnot Gilt and Fixed Interest Fund. Arbuthnot is con*fident that this expertise will be* of considerable benefit to the two trusts.

Benford Concrete falls to £1.3m in first half

TAXABLE PROFITS of Benford Concrete Machinery fell from £1.61m to £1.3m for the first half of 1979, on turnover of £10.58m, against £10.19m.

In the last full year, the tax*able surplus was lower at £3.28m,* compared with £3.84m.

The net interim dividend is stepped up from 0.67p to 0.875p. The directors say that, providing the year's trading results continue to follow a similar pattern to that of the first half, they intend to recommend a total of 2.625p (2.028p).

After tax of £670,000 (£835,000), net *profit* came through at £625,000, against £770,000. Earnings per 10p share are shown down from 3.4722p to 2.8184p.

● comment

Pre-tax margins at Benford Concrete are a useful 12 per cent, despite a 20 per cent fall in profits on static turnover, which shows just how bounteous the last few years have been. Orders from OPEC countries helped treble profits between 1974 and 1977 but the collapse of the Iranian and Nigerian markets, coupled with greater competitiveness and lower orders in other oil-rich States, has made the running tougher. Add to this a disastrous winter at home and a soaring pound, and the interim outcome looks creditable. Exports still comprise over 50 per cent of sales but the group is striving to increase its UK market share, while looking for substitute markets abroad. There are hard times ahead but Benford is well-placed to endure them. Deposits total around £2m (compared with a market capitalisation of £10.2m), there is considerable growth potential in the vibrating roller division, and the forecast dividend increase of 30 per cent would *boost the yield to 8.3 per cent.* The group is being cautious with its earnings forecasts but a pre-tax figure of £2¾m would put the share price of 46p on a fully-taxed p/e of 7.6.

INDEX TO COMPANY HIGHLIGHTS

Scot. Amicable gets Revenue approval

The Scottish Amicable Life Assurance Society has now received approval from the Inland Revenue to accept funds transferred from other life companies on personal pension contracts.

Under the 1978 Finance Act, self-employed and other persons holding personal pension contracts were permitted at retirement to use the cash equivalent of their contract to buy an annuity from another life company. This is known as the open-market option. But a life company cannot accept such funds and issue an annuity *until* it has Revenue approval.

The annuity provided can be paid yearly, half-yearly or quarterly and can be arranged *to escalate at 3 per cent or 5* per cent per annum. It can also be paid to the last survivor of two or more persons, usually husband and wife. The company will pay the usual commission of a single payment of 1½ per cent of the annual amount of pension together with ½ per cent of any *contingent widows or depen*dents pension.

HP expansion lifts Medens to £640,000

REFLECTING continued growth in the hire purchase division, profits of Medens Trust rose from £463,396 to £637,874 in the year ended June 30, 1979. The dividend is raised from 0.92p to 1.3p, with a final of 0.9p.

Main activities of the group, which is not quoted, are the financing of motor vehicle purchase, and secured loans to private and commercial borrowers, and banking. Turnover in 1978-79 came to £20.6m (£13.9m), and net profits were £339,416 (£227,022). Borrowing costs totalled £1.24m (£0.62m).

The directors look forward to maintaining the present levels of business and profitability.

AGB increase is £870,000

AS FORECAST, a second half *increase, from* £836,539 to £1.27m, has lifted the taxable surplus of AGB Research, consumer and industrial market research group, to a record £2.24m for the year ended April 30, 1979, against £1.37m previously.

At halfway the directors said it was likely that second-half profits would exceed those of the first, and they looked forward to a substantial increase on the full-year's figures.

Turnover for the year expanded from £11.04m to £20.5m.

Net profit came out at £972,100 compared with £580,700 after tax of £1.27m against £788,500 giving earnings of 9.13p (6.49p) per 10p share.

The dividend is effectively raised to 4.4p (2.55p) with a final payment of 3p.

	1978-79 £	1977-78 £
Turnover	20,499,100	11,035,100
Pre-tax profit	2,237,400	1,369,200
Tax	1,265,300	788,500
Net profit	972,100	580,700

● comment

AGB's 63 per cent profits rise is in line with both the company's forecast and market expectations. However, shareholders will have to wait for the annual report for any indication of how much of the increase is attributable to the new publishing acquisitions. Assuming AGB's market research activities have continued to grow at the first-half rate of roughly 25 per cent, then the publishing contribution could have been in the region of £530,000, which suggests that this side of the business has not matched up to initial expectations of around £700,000 for the year. This could be due to higher than expected development costs as advertising revenue has been buoyant. Elsewhere, market research activity continues to expand although the strong pound has hit Industrial Market Research, a company with two-thirds of its sales in other European countries. At 174p, the shares are on a hefty p/e of over 18 while the yield is only 3.7 per cent.

Rea Bros. higher halfway

PROFITS of Rea Brothers, merchant banker, were higher in the first half of 1979 than those for the same period last year.

For the whole of 1978, profits were down *from* £501,000 to £451,000 after expenses, tax and transfer to inner reserves.

The net interim dividend is held at 0.725p per 25p share—last year's final was 0.9278p. Dividends have been waived by holders of 971,965 shares.

Receiver for Samuel Moore

A RECEIVER has been appointed for Samuel Moore Foods, the Wiltshire jam manufacturer. The privately-owned company owes about £1m to creditors, of which the largest is National Westminster Bank.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
AGB Research	3	Oct. 22	1.73*	4.4	2.55*
Benford Concrete int.	0.88	Oct. 1	0.67	—‡	2.03
Manchester Canal int.	7.5¶	Oct. 8	6.5	—	17.38
Caledonian Tst.	1.4	Oct. 10	1.25	2.1	1.85
Caledonian Tst. int.	0.5§	Feb. 11	0.47*	—	1.4*
Impala Plat.	24	—	—	34	18.4
Medens Trust	0.9	Oct. 16	—	1.3	0.92
Olives Paper Mill int.	0.73	Oct. 1	0.6*	—	1.34*
Press Tools	1.53	Oct. 10	1.05	2.25	1.71
Rea Brothers int.	0.73	Oct. 10	0.73	—	1.65
Rowland Gaunt	1.5	Aug. 16	1.5	1.5	1.5
Squirrel Horn int.	0.75	Oct. 5	0.63*	—	1.51*
Vibroplant	7.98	Oct. 8	6.67	12.4	10.63
Bernard Sunley	3.35	Oct. 2	2.69	5.0	4.35

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Total of 2.625p forecast. § For 1979/80. ¶ Plus 0.487p in respect of tax changes.

Berwick Timpo chief critical of former management style

BY ARNOLD KRANSDORFF

THE BATTLE for boardroom control at Berwick Timpo the toy group, reopened yesterday when Mr. John Oakley, the new chairman, launched an attack on the management style *of Mr. Torquil Norman, the* former chief executive who is fighting to return to the board.

Mr. Oakley claimed that it was Mr. Norman's "management style" which caused his departure from the company.

He alleged that "as our sole chief executive under a non-executive chairman, he was concerned to manage only three of the group's companies." He did not concern himself with two difficult companies, "whose problems initially arose largely from his own decisions."

Mr. Oakley said the disagreement with Mr. Norman had been "coming to a head over a period."

In a statement yesterday, Mr. Norman said he had combined the job of chief executive with direct responsibility for three subsidiaries which he had left in good shape. These had required his attention because of management changes.

He had, however, felt "totally responsible" for the group. He *said that he had not had the* chairman's support in all he wanted to do with the two problem companies.

He said he was waiting for the company to name a day for the extraordinary meeting and would write to shareholders dealing with any comments made on his proposals. Mr. Norman said he would also write in connection with the bid for the company which, he stressed, was being made for technical reasons.

Caledonian Trust earns and pays more

Revenue of Caledonian Trust for the year ended June 30, 1979, increased from £1.21m to £1.44m subject to tax of £607,591 against £495,113 previously.

Earnings per 25p share are shown as 2.22p (1.89p) and net asset value, at June 30, was 99.6p (110.6p).

The dividend for the year is stepped up to 2.1p (1.85p) with a final payment of 1.4p. A scrip issue is also proposed on the basis of one-for-two on ordinary and "B" ordinary shares.

And the directors announce an 0.5p net interim (0.467p equivalent) on the increased capital, for the current year.

They say that holders of "B" shares will receive the scrip issue equal in the net asset value to the final and interim dividends.

Squirrel Horn looks for better second half

DESPITE a fall in first-half profits the directors of Squirrel Horn, the Stockport-based sugar confectionery, toffee and chocolate group, expect the full year to produce a result similar *to* that of 1978, when a record £627,000 was achieved.

After being adversely affected by severe weather and industrial action in the first eight weeks of 1979, group pre-tax profits in the six months to June 30 have reached £317,897, compared with £383,408, on a little-changed turnover of £3.04m (£2.91m).

At the annual meeting in April, Mr. J. B. Hardy, chairman, said that despite the problems early in the year, profits had been better than expected but he felt that the group would do extremely well to match last year's results.

The directors say that they expect second-half profits to show an improvement over the *£243,000 for the same period of* 1978 and that profit for the full year will be similar to that of 1978.

The first-half profit was struck after depreciation of £61,610 (£49,552). Providing for tax of £165,310 (£199,370), the net balance came out at £152,587 against £184,038.

The interim dividend is effectively raised from 0.625p to 0.75p net—the total for 1978 was equal to 1.5109p.

IN BRIEF

ANGLO CONTINENTAL INVESTMENT AND FINANCE CO.—Pre-tax profit nine months to March 31, 1979 £2.5m (£2.46m previous year). Tax £527,000 (£1.04m). Ultimate holding company is Generale Occidentale.

ROWLAND GAUNT (coat and suit manufacturer)—Profit for year to June 30, 1979, £11,732 (£22,106) before tax credit £4,127 (charge £10,180). Net dividend 1.5p (same).

WHEELER'S RESTAURANTS—Results for year to March 31, 1979, and prospects, reported July 25. Current assets £1.25m (£1.03m). Current liabilities £1.29m (£0.89m). Current liabilities £1.06m (£0.8m). Net liquid funds increased £137,805 (£314,450 dec. Chairman says many old leases will be falling due and, on their revision, company expects to face about £50,000 in increased rents. Meeting, 17 High Street, Kensington, W., September 4, at 10.30 a.m.

BIRMINGHAM MINT—Results for March 31, 1979 year reported July 18 in preliminary statement with prospects. Fixed assets £1.84m (£1.86m). Net current assets £1.67m (£698,614). Short-term deposits £1.26m (nil). Bank overdraft nil (£307,493). Astra Industrial Group held 17.8 per cent of issued capital at July 13, and ITC Pension Trust, jointly with ITC Pension Investment, hold 6.25 per cent. Meeting, Birmingham, September 6, noon.

Braham Millar moves to replace lost business

THE LOSS of three of Braham Millar Group's major export markets, in Iran, Iraq and Nigeria, cannot be made good quickly and although there are hopeful signs they are never likely to return to former levels, states Mr. R. B. Ogden, the chairman.

The group has numerous other export areas, but volume in most of them is not comparable and new markets are slow to develop.

With increasingly fierce competition at home and abroad and the loss of export turnover "we shall no doubt have to phase out some of the hitherto profitable lines," declares Mr. Ogden. Short term margins are likely to remain keen, so that trading results cannot be expected to show quick improvement, he warns.

The chairman sees the way to future prosperity primarily in two directions—higher productivity and an extension of the product range where the emphasis will be on more specialised lines where the best *margins are available.*

These include turnkey operations in the sand and gravel and quarry plant areas, high grade castings from the new foundry and chip spreaders.

Mainly reflecting the setback in the export field group profits before tax fell from £1.09m to £0.45m in the year ended March 31, 1979.

The reasons for the setback were the revolution in Iran and political problems in Iraq and Nigeria coupled with fierce competition from countries with large resources of cheap labour and low overheads.

The chairman explains that in Iran the troubles frustrated contracts nearing completion worth nearly £560,000, but recently parts of these contracts have been re-instated and completed.

Iraq had been a good market, especially for Roadrazers and concrete mixers, and large orders were about to be concluded when an embargo was imposed, and trade dwindled to spare parts only. However, here again the prospects for new orders are encouraging, says Mr. Ogden.

Nigeria's shortage of finance caused the curtailment of orders there.

The chairman reports that the home marker continues to recover slowly despite the stagnation in house building and *road construction.*

Referring to the acquisition of Nailsea the chairman says that reorganisation was necessary but the volume of orders in hand for completion by September 30 indicates that it will make a modest contribution to group profits to that date.

The balance sheet shows stock and work in progress up by 18 per cent to £3.16m, which reflects the completed work for Iran, and is behind an increase from £183,000 to £669,000 in overdrafts. These, however, will be virtually extinguished by the sales of premises in Enfield.

Meeting, Savoy Hotel, W, September 5 at noon.

Corning recovers to £3.9m

TAXABLE profits of Corning, glass manufacturer, recovered in 1978 and finished the year at a record £3.93m compared with a depressed £323,000 for the previous 53 weeks. Sales, excluding VAT, rose from £52.62m to £59.94m.

Profits had risen from £1.48m to £2.63m in the 1975/76 year.

After tax of £2.15m (£416,000) the balance came out at £1.78m against a £93,000 loss.

Ultimate holding company is Corning Glass Works of the U.S.

E. FOGARTY

E. Fogarty and Co., manufacturer of home furnishings, has completed the purchase of Walker and Clark, following payment of £1.25m cash.

Manchester Canal rises to £1.97m at midway

DESPITE A fall in tonnage passing through the port, group *pre-tax profit of the Manchester* Ship Canal Company increased from £1.72m to £1.97m in the six months ended June 30, 1979. This compares with the £1.99m reported for the whole of 1978, the bulk of which accrued in the first half.

Mr. D. K. Redford, chairman, explains that in the first five weeks the group had problems associated with the transport dispute. Since then a reasonable recovery was made and operating profit rose by 6 per cent to £1.72m.

While there have been marked increases in wage and fuel costs, the more stable conditions in the Eastham Approach channel have resulted in much reduced dredging expenditure, he reports.

Earnings per £1 share are shown to be up from 20.2p to 23.4p and the interim dividend is raised from 6.5p to 7.5p net. A supplementary dividend of 0.487p is also declared as an adjustment to the 1978 final following tax changes. The total paid for 1978 was 17.38p.

	First half 1979 £000	1978 £000
Operating revenue	13,324	13,009
Operating profit	1,722	1,628
Loan and invest. inc.	585	439
Interest charges	327	344
Pre-tax profit	1,970	1,723
Taxation	1,020	894
Net profit	950	829
Loan redemption	42	32
Dividends	440	389
Retained	468	408

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims—Commercial Union Assurance, Davies and Metcalfe, Morris and Blakey Wall Papers, Philips' Lamps, Smith and Nephew, A. G. Stanley.

Finals—Abercom, Gresham Investment Trust, Group Investors, Letraset International, McKay Securities.

FUTURE DATES

Interims—	
Alliance Trust	Aug 24
Barton & Sons	Sept 10
Bridgewater Estates	Aug 17
Clay (Richard)	Aug 22
Clifford (Charles) Industries	Aug 16
Cosalt	Sept 11
Dufay Bitumastic	Aug. 21
Fairclough Construction	Aug. 28
Norvic Securities	Aug 16
Scottish Eastern Invest. Tst.	Sept 3
Steetley	Sept 20
Weir Group	Sept 5
Finals—	
Second Alliance Trust	Aug 24
Victor Products (Wallsend)	Aug 22
Worthington (A. J.)	Aug. 15

Meeting, Connaught Rooms, WC, September 5 at noon.

Record growth in PPP membership

Record growth in membership over the first half of 1979 is *reported by* Private Patients Plan, the second largest medical insurance agency in the UK. The number of subscribers advanced over the period by 11 per cent to 244,773 by the end of June.

Since on average about two persons are covered under one health insurance contract, this means that about 500,000 persons are covered by medical insurance with PPP.

The company in its half-yearly report claims a substantial advance in its share of the medical insurance market. It is now writing 48 per cent of all new business in the individual market and overall has increased its share of new business from 20 per cent at the beginning of 1979 to 33 per cent at mid-year.

Although the main growth in medical insurance still arises from company schemes, the individual market has become active again. Mr. John Gelling, deputy managing director of PPP, said that more people were now becoming aware of the private health care alternative *to the NHS and to the reasonable* level of medical insurance costs.

The company's scheme for the individual and his family—*Family Masterplan*—has led the market since it was recently introduced.

Best-ever £0.35m for Press Tools

IN LINE with midway expectations, Press Tools turned in record results for the year to April 30, 1979. Taxable profits expanded from £250,127 to £345,847, on turnover of £2.4m, against £2.21m.

The directors of the specialist toolmaker and automatic and capstan operator say the company has made a reasonable start to the current year and they hope this will continue.

At *the interim stage,* the *surplus* was ahead to £170,000 (£124,000), and the directors expected record full-year turnover and profits.

Tax for the period took £171,527, against £129,612, giving earnings per 10p share of 8.72p (6.03p). The net total dividend is lifted from 1.2105p to 2.25p, with a final of 1.525p.

Tricoville tax position clarified

The tax liability of £175,000 and the possible penalty amounting to a maximum £350,000 should have no "effect on the anticipated profits for the year to July 19," according to the Board of Tricoville.

In a letter to shareholders, *which gives further details of the* tax problems already announced, the directors say current order book levels indicate a "very satisfactory" first half this year. This is strengthened by sterling's relative position, as 70 per cent of Tricoville's products are imported.

Acquisitions are planned at home and overseas, although the proposed partial merger with the Goetz Group of Switzerland has foundered over the tax problems.

WM. JACKS

The interim dividend declared by *William Jacks will cost £744* (£743).

Tioxide recovery continues

DESPITE strikes and the strong pound, taxable profits of Tioxide Group continued their recovery to reach £5.63m for the first half of 1979. This compared with £4.91m for the whole of last year.

The directors say progress has been restricted by external *strikes.* The *lorry drivers'* dispute followed by a prolonged dockers' strike at Immingham resulted in a small loss on the UK operation, and the continued strike at the sulphuric acid supplier's works affected Canadian profits.

The strength of sterling nullified much of the benefit of improving export prices and depressed the value of overseas earnings.

Demand continues to be firm. But they say the full effects of the recent oil price increases have still to work through into UK and overseas costs. Future selling prices will have to reflect this if the essential improvement in margins is to be achieved, they add.

First-half taxable profits, which were £2.58m in 1978, include share of associate *companies' losses cut from* £1.1m to £240,000.

Half-yearly turnover of the group, which is owned jointly by ICI and Lead Industries Group, rose from £71.29m to £85.06m. Tax took £3.1m (£1.28m), and minorities £0.21m (£0.13m).

Principal activity of the group is the production and sale of titanium oxide and other titanium compounds.

RECKITT AND COLMAN

Reckitt and Colman has com*pleted the purchase of the capital* of Warwick Pump and Engineering.

The consideration (subject to possible adjustment) is equivalent to a maximum of £3.5m and comprises 25,347 ordinary shares, £1,453,000 10 per cent loan stock and £403,446 cash. The shares have been admitted to the Official List.

Scottish Western up so far

Pre-tax revenue of Scottish *Western Investment Co.* rose from £1.14m to £1.28m in the first half of 1979. In the last full year, the taxable surplus reached £2.48m, against £1.94m.

Tax for the half-year took £531,451 (£477,274). Estimated earnings per 25p for 1979 are shown as 1.9p (1.8p). Net asset value is given as 78.4p, compared with 84.4p at December 31, 1978.

As already known, the interim dividend is effectively raised from 0.466p to 0.5p—last year's total was equivalent to 1.7p.

Confidence at Daejan

The directors of Daejan Holdings are confident in the company's future and Mr. *Leonard Tobin, chairman, looks forward* to satisfactory results in the current year.

As reported on July 12, after an exceptional debit for the year of £1.25m, pre-tax profits for the year ended March 31, 1979 rose from £2.47m to £3.33m. Total income increased to £10.37m *(£8.41m). The dividend is 3.25p* (2.9975p).

Both the rental and property sales sides of the business contributed to results, Mr. Tobin tells shareholders in his annual review.

Half the group's portfolio is in commercial properties, "and these continue to provide steady, trouble-free growth," he states.

A statement of source and application of funds shows a £5.53m reduction in short-term *borrowings at March 31, against* a £2.72m increase last time.

IMPALA PLATINUM HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

PRELIMINARY PROFIT STATEMENT AND DECLARATION OF FINAL DIVIDEND

The unaudited consolidated income statement in respect of this Company's ten-month period ended 30 June 1979 (incorporating the earnings of Impala Platinum Limited, this Company's wholly-owned subsidiary, during its financial year ended 30 June 1979) and the consolidated results of Impala Platinum Limited for the previous year are as follows:—

	1979 R000	Impala Platinum Limited Year to 30.6.78 R000
Group profit	120,067	44,170
Less: Taxation and lease consideration (Note 3)	50,340	10,721
Group profit after tax and lease consideration	69,727	33,449
Less: Minority interest in profits (loss) of a subsidiary	20	(4)
Income attributable to ordinary shareholders	69,707	33,453
Add: Retained surplus brought forward	1,030	10,381
Available for appropriation	70,737	43,834
Dealt with as follows:—		
Amounts transferred to reserve for expenditure on mining assets	46,000	23,800
Dividends to shareholders	19,601	9,600
Retained surplus	5,136	10,434
Earnings per share (cents) Note 4	121	58

In the light of the above results the directors have declared a final dividend of 24 cents (South African currency) per share which will absorb R13,836,000. Dividends previously declared in respect of this year have totalled 10 cents per share absorbing R5,765,000. *Dividends in respect of the year have thus totalled 34 cents per share absorbing R19,601,000.*

In respect of the year ended 31 August 1978, the Company, then named Bishopsgate Platinum Limited, declared dividends equivalent to 18.4 cents per present 20 cent share. In respect of the year ended 30 June 1978, dividends declared by Impala Platinum Limited totalled R9,600,000.

NOTES:

1. The increased profit for the year was due to increased volume of sales, to the higher prices obtained for most of the metals sold during the year and to the high level of these prices at the year-end. The producer price of platinum increased from U.S.$220 per ounce ruling on *1 July 1978* to *U.S.$350* per ounce on *27 April 1979*; the producer price of palladium increased from $70 to $120 per ounce during the year; the producer price of rhodium increased from $500 to $800 per ounce. During the first six months of 1979 there was a marked recovery in nickel prices from around $1.60 per lb. to $3.00 per lb.
2. The profit for the period has been arrived at after accounting, inter alia, for the following items:—
   (a) Interest paid on borrowings, less interest received R5,469,000 (1978: R6,580,000).
   (b) Royalties due to the Bafokeng Tribe and the Government of Bophuthatswana in *terms of the cession to Impala Platinum of its mining lease:* R9,133,000 *(1978:* R3,230,000).
   (c) An amount of R618,000 written off the Rota Tube project (1978: R1,842,000).
3. *Taxation and lease consideration payable by the Group in respect of the period to 30 June 1979 are estimated to be:—*

South Africa	
Normal tax	R10,352,000
Bophuthatswana	
Normal tax	20,404,000
Non-resident shareholders' tax in respect of dividends paid or payable by Impala Platinum to the holding company	2,125,000
Lease consideration	14,312,000
United Kingdom	
Corporation tax	3,147,000
	R50,340,000

4. The figure of earnings per share shown above for the year ended 30 June 1978 is a theoretic figure given for purposes of comparison. It shows what the position would *have been had the Company acquired the entire issued share capital of Impala Platinum* with effect from 1 July 1977, instead of 1 July 1978, as was the case.
5. Certain capital projects were brought forward and progress on others was more rapid than originally expected. As a result, capital expenditure by Impala Platinum during the year ended 30 June 1979 amounted to R30,600,000 as compared with the figure of R22,000,000 forecast in February 1979.

MARKET

The latter months of the year ended 30 June 1979 were marked by intense speculative *activity which carried the free market price for platinum to an all-time high of $456 per* ounce as against the producer price of $350 per ounce. Since then, more sober assessments of the supply and demand situation, coupled with expectations of a recession in the U.S.A. towards the end of 1979 or early in 1980, have led to a substantial reduction in the free market price which is now in the $377 to $387 range.

Demand for platinum, palladium and rhodium remains firm and seems likely to continue so. While the recent sharp reduction in automobile sales in the U.S.A. is a matter of some concern it seems probable that this is only a passing phase as a result of the recent sharp rise in OPEC oil prices and shortages of gasoline in parts of the U.S.A. In any case the higher metal loadings required in the U.S.A. for the 1980, 1981 and subsequent model year cars, to meet more severe emission standards, should lead to an increased demand from the automobile industry in the U.S.A. and Japan for platinum group metals.

EXPANSION OF PRODUCTION

Subject to the present plentiful supply of black labour continuing without interruption, production for the current financial year ended 30 June 1980 is expected to be of the order of 870,000 ounces of platinum, together with accompanying metals. Impala Platinum has decided to increase its mine and refinery capacity by a further 100,000 ounces of platinum per annum, giving a notional capacity of 1,000,000/1,050,000 ounces of platinum per annum, *together with accompanying metals. This increase in capacity is required to enable that* company to meet maximum contract requirements which have already been notified by certain automobile manufacturers for 1981 and subsequent years.

As a result of this, coupled with other on-going capital expenditure programmes, capital expenditure during the current financial year is expected to be of the order of R45,000,000 to *R55,000,000* depending on the rate of the progress of work that can be achieved and in each of the subsequent two years is unlikely to be less than R35,000,000/R40,000,000.

In order to assist in the financing of this, the Group has recently negotiated a three-year loan of R15,000,000 and an eight-year loan of R5,000,000.

On behalf of the Board
I. T. GREIG, Chairman.
R. C. BOVELL, Managing Director.

DECLARATION OF FINAL DIVIDEND

A *final dividend* of 24 cents, *South African currency*, per share in respect of the ten-month period ended 30 June 1979, making a total of 34 cents for the period, has been declared payable to members registered in the books of the Company on 31 August 1979.

Dividend warrants will be posted from the registered office and London transfer office on or about 11 October 1979.

The register of members will be closed from 3-7 September 1979, inclusive.

The dividend is payable subject to conditions which can be inspected at the registered office or London transfer office of the Company.

per pro UNION CORPORATION (UK) LIMITED

London Transfer Office
Granby Registration Services
Granby House
95 Southwark Street
London SE1 0JA
13th August 1979

London Secretaries
L. J. Baines
Princes House
95 Gresham Street
London EC2V 7BS

A UNION CORPORATION GROUP COMPANY

Turnover well up: balance sheet remains strong

In large measure the year has been one of consolidation and working on existing developments. New automated machinery is now operating in the main factories and contributing in the current year.

Our dividend was historically low and we interpreted a maintenance of dividend as meaning payment equal to that which we indicated we wished to pay last year.

Production in April and May has been at record levels and order intake at a rate well above our capacity to supply. We have a further increase in output to come as a result of the plant recently commissioned. Most of the work currently being done should put us in a stronger position to face the future.

The Annual General Meeting will be held at the Charing Cross Hotel, Strand, London, on 23rd August 1979 at 12 noon.

Copies of the Report and Accounts may be obtained from the Secretary, Lever Street, Bolton BL3 6DJ.

Financial Highlights

	1979 £000	1978 £000
Turnover	32,867	26,733
Overseas sales*	17,573	15,106
Profit before tax	3,022	3,662
Profit after tax	1,960	2,670
Dividends per share	9.0p	6.3p
Earnings per share on profit before taxation	36.2p	44.5p
Earnings per share on profit after taxation	23.6p	32.5p

*Does not include a substantial proportion of goods sold in the United Kingdom but exported as part of other manufacturers products.

Points from the Review by the Chairman, Mr L.V.D. Tindale

Turnover was well up but margins have suffered through the transport strike and the continued strengthening of the pound. The balance sheet remains strong.

EDBRO (HOLDINGS) LIMITED

BIDS AND DEALS

Wellman wins the battle

BY RAY MAUGHAN

Wellman Engineering Corporation is to remain independent. The 70p per share cash offer from **Redman Heenan International** (worth £8m) closed last Friday, and after a weekend of silence, the bidder revealed that it controlled only 36.17 per cent of the Wellman equity.

The offer will not be extended because Wellman has also won the second, and possibly more difficult, stage of its fight for survival. After a tense and protracted poll count yesterday, Wellman announced that holders of 41.6 per cent of its shares had approved the £5.17m acquisition of the Industrial Heating Business Department of General Electric in Indiana. The poll was abnormally high for 34.8 per cent of the equity voted against the U.S. deal.

Since Redman has always bitterly opposed the logic of Wellman's tie-up in the U.S., the offer has now lapsed.

Mr. Anthony Glossop, Redman finance director and company secretary, admitted afterwards that: "I gave up on the chances of the offer in my own mind at *4.00 pm last Friday," but the* bidder had held out a reasonable hope that the majority of Wellman's institutional shareholders would turn down the *crucial IHBD proposals, thereby* giving Redman an opportunity to extend its 70p per share offer for at least another fortnight.

"Three institutions," Mr. Glossop felt, "*probably swung* the issue." These are thought to be Prudential Assurance, Pearl Asurance and the National Coal Board Pension Fund.

Wellman lost no time in "pushing the button" on the IHBD purchase at a hastily convened board meeting as soon *as the result of the critical poll* was known. After that meeting, Mr. Alan Hopkins, chairman, declared himself "delighted with the outcome which is in *the interests of the company,* shareholders and employees." He regarded the approval of the U.S. purchase as a vote of confidence in the board.

Over the long term, Wellman shareholders must hope that, after an exhaustive search for a suitable U.S. acquisition, IHBD will provide a platform for the growth in the energy conservation market which Wellman concedes *will be difficult to find in* its existing activities. IHBD has suffered severe problems with now discontinued product lines but is expected to make £450,000 *pre-tax in the 33 weeks to end-*March, 1980.

More immediately, the Wellman share price has come under pressure now that the tenure of Redman's stake is uncertain. Taking its existing holding and the shares owned by its adviser, Hambros Bank, Redman controls almost 30 per cent of the group's *equity and would be entitled to* seek boardroom representation although there are no existing plans to that end.

TRICENTROL

The directors of **Tricentrol** say that the agreements relating to the acquisition of the special royalty from the Thistle loan facility have now become unconditional in all respects and have been completed.

Dealings in the new ordinary in Tricentrol which were issued in connection with the acquisition of the special royalty are expected to commence today.

ALLIED CITY

The scheme of arrangement for the merger of **Allied City Share Trust** with **Birmingham Industrial Trust** will become effective towards the end of this month.

After discussions with the Panel an offer of 30p per share is to be made to shareholders wishing to dispose of their holdings.

The directors of Allied City say that the way is now clear for the acquisition of the *engineering companies to be* submitted to shareholders *for* approval.

BTR takes Bestobell defence to Panel

BY ANDREW FISHER

Bestobell has produced a further powerfully worded document as part of its continuing struggle to ward off **BTR's** £29m bid, prompting representations to the Takeover Panel by the bidder.

Arguing that "the offer does *not represent a fair valuation of* Bestobell," chairman Mr. Sandy Marshall again urged shareholders to reject it.

He included the Australian *Foreign Investment Review* Board, UK Members of Parliament, Bestobell employees and management, and trade union officials among those supporting the company, or expressing criticism or worries about the bid.

Citing regional newspaper reports about Bestobell's efforts to remain independent, Mr. Marshall wrote that employees' initial fears were "naturally and with some justification, centred *on job security and diminution of* future benefits."

These early feelings had, he went on, "matured into a strong *reinforcement of their commitment to carry the company* forward from the good results acheived in the first half of this year."

He said the *p/e* multiple of the offer, which also carries a share exchange alternative, was too low. "Our shares already offer an excellent dividend yield but, if we achieve higher profits than our 1979 forecast, we would of course consider a further increase in dividends."

Bestobell has already forecast a pre-tax profits rise of not less than 30 per cent this year to over £6.3m and dividends totalling 11p after last year's 9.52p.

BTR's managing director, Mr. Owen Green, said he was "disdainful" of the way the document had been phrased and presented. He added that representations were being made to the Takeover Panel about some of the points in the Bestobell letter.

Mr. John Leek, a director of Hill Samuel, which is advising BTR, visited the Panel last night to make the representations. These are believed to cover the mention of the Foreign Investment Review Board (FIRB) in Australia and the references to jobs.

Mr. Green described the Bestobell remarks about job security as "complete mis-*representations,*" noting that the BTR workforce had risen from 6,600 in 1970 to nearly 16,000 at present.

He said that the FIRB had not made any statements to BTR itself. On the same issue, Mr. Marshall said the FIRB had told Bestobell officials in Australia that it was concerned about the implications of the proposed takeover and wished to look closely at it.

Amid the bid controversy, Hill Samuel announced that just over 26 per cent of the Bestobell shares were now in the BTR camp through direct purchases and acceptances. The offer closes *on Friday.*

Shares of Bestobell were unchanged yesterday at 220p, the value of the cash offer. Those of BTR gained 3p to 324p, putting a value of 238p on the share exchange alternative of 11 BTR shares for 15 of Bestobell's.

SGB GROUP

Contractors' Services Group, the mechanical plant division of **SGB Group**, has acquired the assets and business of G. R. *Wight and Co. from* G. R. Wight (Froxfield) for £375,000 cash.

Wight specialises in heavy earthmoving operations particularly those associated with *opencast mining.*

NEB BACKING

The National Enterprise Board has subscribed £18,000 for 26 per cent of the ordinary shares and £300,000 for cumulative redeemable preference shares in **ASR Servotron** which produces high technology DC permanent magnet motors.

SHARE STAKES

Fife Forge—Industrial and Commercial Finance Corporation holds 162,500 ordinary (6.065 per cent).

Lamont Holdings—H. T. O'Neill, director, now holds *120,000* shares.

Cawoods Holdings—E. W. Towler, director, has sold 25,000 shares.

D. F. Bevan (**Holdings**)—M. F. Bevan, director, has acquired a beneficial interest in a further 197,620 ordinary registered in the name of Midland Bank Branch Nominees making the total holding registered in that name 324,545 ordinary (5.47 per cent). D. F. Bevan, director, has disposed of 197,620 ordinary leaving his total holding *1,332,146 (22.46* per cent).

Jas. Latham warns on current year

The combination of high interest rates, a strong pound and potentially subdued demand may make the current year somewhat difficult. Mr. M. Latham, chairman of **James Latham**, says in his annual statement.

There appears to be some uncertainty about the future course *of timber prices. But, he adds,* "we are continuing to run a 'tight ship' and are confident that we can adapt to changing circumstances."

He says *that, since the* company is dependent on international trade, profits tend to fluctuate from year to year.

In setting the dividend distribution, the *company would try* to iron out the effect of some of these fluctuations so that shareholders "should be able to look forward to a consistent and hopefully rising income."

As reported on July 12, taxable profits advanced to £1.66m *(£0.96m) in the year to March 31,* 1979. The net total dividend is lifted from 7.54p to 8.7p.

Bank overdrafts increased by £322,000 compared with a *£558,000 decrease last time.*

Meeting, Leeside Wharf, Clapton, E, August 30 at 2.30 pm.

FAIRBAIRN LAWSON

Because of the legal requirement to hold an annual meeting each year, **Fairbairn Lawson** is convening one on August 31, 1979, *even though it will not be* able to present the report and accounts for 1978. The Board intends to adjourn the meeting immediately until the report and *accounts can be considered.*

MINING NEWS

Impala Platinum plays for high stakes

BY KENNETH MARSTON, MINING EDITOR

FOLLOWING its buoyant earnings for the first half of the year *to June 30 the South African* Union Corporation group's **Impala Platinum** has surpassed all expectations with its result for the full year. Pre-tax profits have *jumped to* R120.1m (£63.9m) from R44.2m.

After a sharply increased tax and lease charge, the group net profit comes out at R69.7m *against R33.4m. Earnings per* share have advanced to 121 cents from the equivalent of 58 cents and a final dividend of 24 cents (12.8p) makes a total of 34 cents against the *equivalent* of 18.4 cents for 1977-78.

	Year to June 30 1979 (R 000)	1978 (R 000)
Group profit	120,067	44,170
Tax. and lease consideration	50,340	10,721
Profit and tax and lease consideration	69,727	33,449
Minority *interest*	20	(4)
Attributable to ord. holders	69,707	33,453
Retained surplus brought forward	1,030	10,381
Available	70,737	43,834
Transferred to reserve	46,000	23,800
Dividends	19,601	9,600
Retained surplus	5,136	10,434
Earnings per share (cents)	121	58

The sharply higher earnings reflect increased sales of platinum group metals and nickel *coupled with higher prices;* the company's fixed selling price for platinum was raised from $325 per ounce to $350 on April 27 last, having come up in stages *from $220 at the end of June,* 1978.

The free market price of platinum reached a peak of $456 earlier this year and is currently around $372, the reaction having *stemmed from* a fresh *look* at the demand-supply situation coupled with considerations of the U.S. recession.

But Impala remains confident of the outlook for its products, pointing to a continuing firm demand for platinum, palladium and rhodium. The company adds: "While the recent sharp reduction in automobile sales in the U.S. is a matter of some concern it seems probable that this is a passing phase" arising from high prices for, and shortages of, gasoline.

At all events, Impala says that the more severe U.S. standards of exhaust emission controls for the 1980, 1981 and subsequent model year cars should lead to an increased demand from the automobile industries in the U.S. and Japan for platinum group *metals in exhaust control* devices.

Backing its words with deeds, Impala intends to raise its annual production further to around *870,000 ounces of platinum,* together with accompanying metals, in the current year to next June.

Furthermore, the mine and refinery *capacity is to* be increased by 100,000 oz to a notional 1,000,000-1,050,000 oz per year. This is in order to meet maximum contract requirements that have been already notified by certain automobile manufacturers for 1981 and subsequent years.

Because of this expansion Impala's capital spending is expected to rise from the past year's R30.6m to around R45m-R55m in the current year. And it is unlikely to be less than R35m-R40m in each of the next *two years.*

In order to help in the financing of this big expenditure the group has recently negotiated a three-year loan of R15m and an *eight-year loan of R5m.*

● COMMENT

Impala's latest results were not published during market hours yesterday and the shares closed *slightly* easier at 161p. This puts them on a yield of just over 11 per cent which is a reasonable return when allowance is made for the growth prospects indicated by the expansion proposals and, on the other hand, for the inevitable South African "political discount." At the same time, the company will be carrying a heavy burden of capital expenditure for the next three years which must slow the rise in dividends to some extent. Thereafter, distributions could expand sharply providing, of course, that the group's confidence in the outlook for the platinum market is *borne out. The shares may well* have a near-term rise, but it remains to be seen whether, after this, buyers will be prepared to take a longish view of firm platinum prices when they can obtain far higher dividend yields on gold shares in the meantime.

Blair Athol lands a A$2bn coal contract with Japan

PROSPECTS of the large Blair *Athol steaming coal venture in* Australia coming into production have received a strong boost with the gaining of a 75m tonnes long-term contract to supply a Japanese electric utility, reports James Forth from Sydney.

The contract, for 15 years and valued at about A$2bn (£1bn), was announced by the major Blair Athol shareholder, Conzinc Riotinto of Australia, the 68.2 per cent-owned offshoot of Rio Tinto-Zinc.

The deal *is with Electric Power* Development of Japan, which has also agreed to take a 19 per cent interest in the Blair Athol project. Other shareholdings will now be CRA 50.22 per cent and Atlantic Richfield of the U.S. 30.78 per cent.

It is the largest long-term contract for steaming coal ever negotiated by an Australian company.

The Japanese utility has signed a letter of intent for the supply of the coal, starting early in 1985, and will co-operate on a final detailed feasibility study. The project needs contracts of at least 10m tonnes a year to make it viable, and would cost several hundred million dollars to develop.

First half boost for Brenda Mines

THE CANADIAN **Noranda** group's **Brenda Mines** has boosted its first half 1979 net *profit to C$11.6m (£4.4m),* or C$2.72 per share, from C$6.5m in the same period of 1978. A quarterly dividend of 26 cents plus an extra 25 cents will be paid on September 12.

Exceeding expectations, the latest jump in earnings has reflected higher prices for molybdenum and copper coupled *with* the favourable exchange rate to the mine of the Canadian dollar against its U.S. counterpart; the exchange gain on export sales was C$3.6m.

The company has committed C$11.5m this year on oil and gas exploration in the Beaufort Sea, Labrador Shelf and on Melville Island in the Canadian Arctic.

* * *

Consolidated first-half profit from all sources for **McIntyre Mines** has jumped to C$19.7m or C$8.32 per share, from only C$46,000 or 2 cents per share in the same period of last year. This includes equity in major affiliates such as **Falconbridge** and reductions in income tax provisions.

Production emphasis at the Smoky River coal mines in Alberta is being placed on lower-cost underground coal with the production cutbacks tailored to meet reduced shipment requirements. First-half coal deliveries were down to 451,000 long tons from 702,000 long tons.

The 36 per cent-owned **Madeleine Mines**, started full-scale milling operations on July 1 at its re-opened copper mine in the Gaspé district of eastern Quebec. Mine tonnage, now 2,300 tons per day, will be increased gradually to the plant's 2,500 tons capacity.

* * *

Camflo Mines, the Quebec gold producer, will spend C$2m (at the rate of C$1m per 12-month period) on exploration and development work on the oil-gas properties and interests of 25 per cent owned **Neomar Resources**.

Camflo, as a taxpayer, will *obtain the tax benefits resulting* from these expenditures whereas Neomar, which is not expected to be in a tax-paying position for several years, will benefit to the extent of its interests in any new wells which result from the exploration-development paid for by Camflo.

Camflo will receive Neomar treasury shares in return for its outlays; it could increase its equity in Neomar to 49 per cent by the end of the second 12-month period. And if it exercises its option to spend a further $2m, it could end up with 59 per cent.

* * *

First-half 1979 net profit of **Cassiar Asbestos**, the northern *British Columbia asbestos producer,* declined to C$6.3m, or $1.15 per share, from $8.3m in the same period of last year. Revenue was down C$42.6m from C$44.6m.

Olives Paper small rise at midway

Taxable profits of **Olives Paper Mill Company**, paper manufac*turer,* rose *from £146,923* to £158,130 in the first half of 1979, on turnover of £2.67m, against £2.49m.

The directors say it is difficult *to forecast, but they expect that* the year's results will not compare unfavourably with the £325,106 achieved last time. They are continuing vigorously to *pursue the most extensive phase* of the modernisation programme in the company's history.

After tax for the half-year of £84,000 (£75,000), net profit came *through at £74,130 (£70,923):* Earnings per 20p share are given as 2.31p (2.22p). The net interim is effectively raised from 0.6p to 0.73p—last year's total was equivalent to 1.34475p.

Dfls. 50,000,000.—
6% bearer Notes of 1972
due 1978/1982
of
EUROPEAN INVESTMENT BANK

Redemption Group No. 1 having fallen due before.

Notes belonging to Redemption Group No. 5 will be redeemed on and after

SEPTEMBER 15, 1979

in accordance with drawing effected on July 30, 1979 pursuant to the Terms and Conditions.

Paying Agents:
Amsterdam-Rotterdam Bank N.V.
Algemene Bank Nederland N.V.
Bank Mees & Hope NV
Pierson, Heldring & Pierson N.V.
in Amsterdam
and
Banque Générale du Luxembourg S.A.
in Luxembourg

August 14, 1979.

COMPAGNIE FINANCIERE DE SUEZ

Société Anonyme registered in France with a capital of 926,422,300 Fr.
Registered Office: 1, rue d'Astorg, 75008 PARIS
Financial year from January 1 to December 31
INTERIM STATEMENT OF INCOME—1979
(compared with 1978)

	1978 Francs	1979 Francs
Portfolio income		
1st quarter	4,910,658.33	4,034,632.70
2nd quarter	184,567,777.23	139,869,902.03
	189,478,435.56	143,904,534.73
Total amount of other income		
1st quarter	3,278,438.11	2,627,455.34
2nd quarter	3,282,139.61	3,207,908.63
	6,560,577.72	5,835,363.97
GENERAL TOTAL	196,039,013.28	149,739,898.70

It should be noted that, in the case of portfolio investment companies, comparisons are only significant over a whole financial year.

In particular, the dividend from Cie. de Saint-Gobain-Pont-à-Mousson, which, in 1978, was received before the 30th June, was, in 1979, only received at the beginning of the 3rd quarter for a net amount of 57.1 million francs. London, 8th August 1979

Hydro Quebec 9% Debentures,
Series DE due
1st August, 1992

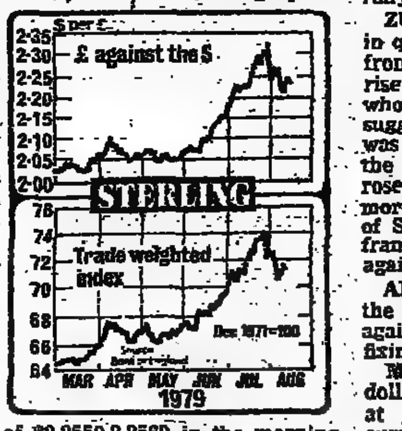
Debentures covering U.S.$ 5,000,000 have been purchased on the market to satisfy the Purchase Fund due 1st August, 1979.

هكذا من الأصل

Dollar firm

The dollar gained ground against other major currencies in quiet foreign exchange trading yesterday. There was little movement in the morning, with European central banks giving some support to the U.S. currency. The market became more nervous and uncertain in the afternoon, with the U.S. Federal Reserve taking advantage of the quiet conditions to push the dollar up to its best level of the day in terms of most currencies towards the London close.

Sterling opened at $2.2510-2.2520, and touched a high point of $2.2550-2.2560 in the morning on good commercial demand. During the afternoon the pound fell to $2.2330-2.2340 as the dollar improved in general, and sterling closed at $2.2355-2.2365, a fall of 1.15 cents on the day.



The pound's trade-weighted index, as calculated by the Bank of England, fell to 71.2 from 71.5, after standing at 71.6 at noon and in early trading.

The dollar's index, on Bank of England figures, rose to 84.5 from 84.3. The U.S. currency traded within a range of DM 1.8150 to DM 1.8280 against the D-mark, before closing at DM 1.8270, compared with DM 1.8225 on Friday. In terms of the Swiss franc, the dollar moved between SwFr 1.6390 and SwFr 1.6535, and closed at SwFr 1.6520, compared with SwFr 1.6460 before the weekend.

FRANKFURT—The Bundesbank did not intervene when the dollar was fixed at DM 1.8216 against the D-mark, compared with DM 1.8258 previously. Trading was light, with the dollar moving between DM 1.8180 and DM 1.8225 before the fixing. Market sources indicated that the German authorities probably intervened to help the U.S. currency during the morning. The rise in West Germany's wholesale price index at an annual rate of 7 per cent helped the dollar, while sterling was generally strong in quiet trading.

ZURICH—The dollar was firm in quiet early trading, benefiting from the higher than expected rise in West Germany's June wholesale price index. Dealers suggested that the Bundesbank was probably adding support to the dollar. The U.S. currency rose to SwFr 1.6440 by mid-morning from an opening level of SwFr 1.6400, while the Swiss franc was slightly stronger against the D-mark.

AMSTERDAM—In late trading the dollar rose to Fl 2.0065 against the guilder, from the fixing level of Fl 2.0020.

MILAN—Sterling and the dollar improved against the lira at the fixing, while EMS currencies, except the guilder, lost ground to the Italian unit. The dollar was fixed at L 816.45, compared with L 815.70 on Friday, while the pound rose to L 1,838.70 from L 1,827. The D-mark fell to L 448.25 from L 448.53. The Bank of Italy did not intervene in official trading, but supported the dollar during early interbank trading.

TOKYO—The dollar rose slightly to Y216.15 at the close yesterday, from Y215.32½ on Friday. The U.S. currency opened at Y216.000 and improved slightly to a high point of Y216.35, helped by a technical shortage and by a rise in Japanese imports in July. The record increase in imports put only slight pressure on the yen however, since imports also rose last month.

THE POUND SPOT AND FORWARD

Aug. 13	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.2330-2.2560	2.2355-2.2365	0.72-0.62c pm	3.60	1.77-1.67 pm	3.08
Canada	2.6175-2.6435	2.6200-2.6210	0.60-0.50c pm	2.52	1.75-1.65 pm	2.59
Nethlnd.	4.48-4.52	4.48½-4.49½	2⅜-1⅝c pm	5.88	6-5 pm	4.90
Belgium	65.30-65.80	65.35-65.45	15-5c pm	−1.83	48-38 pm	2.63
Denmark	11.76½-11.82½	11.77-11.78	½ore pm-1½ore dis	−0.51	3¾-5¼ dis	−1.44
Ireland	1.0845-1.0928	1.0870-1.0880	30-40p dis	−3.86	90-100 dis	−3.49
W. Ger.	4.08-4.11½	4.08½-4.09½	3¼-2¼pf pm	8.44	8¼-7¼ pm	7.71
Portugal	109.10-110.60	109.30-109.60	50-110c dis	−8.77	120-220 dis	−6.21
Spain	147.60-149.00	147.65-147.75	205-255c dis	−18.69	530-630dis	−15.71
Italy	1,827-1,840	1,827¾-1,828¾	4¼-2¾lire pm	2.13	3¾-1¼ pm	0.49
Norway	11.20½-11.27½	11.21-11.22	3½-1½ore pm	2.97	9¼-7¼ pm	2.97
France	9.50½-9.58½	9.51-9.52	2¾-1½c pm	2.84	6-5 pm	2.31
Sweden	9.41½-9.45	9.42-9.43	2¾-1¼ore pm	1.59	4-2 pm	1.27
Japan	480-490	484-485	3.80-3.50y pm	9.04	9.95-9.65 pm	8.09
Austria	29.82-30.02	29.85-29.90	23-13gro pm	7.23	58-48 pm	7.10
Switz.	3.68½-3.71½	3.69-3.70	4¾-3¾c pm	13.40	12-11 pm	12.45

Belgian rate is for convertible francs. Financial franc 67.80-67.90c pm. Six-month forward dollar 2.92-2.82c pm. 12-month 5.07-4.97c pm.

THE DOLLAR SPOT AND FORWARD

Aug. 13	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.2330-2.2580	2.2356-2.2365	0.72-0.62c pm	3.59	1.77-1.67 pm	3.08
Ireland†	2.0570-2.0670	2.0570-2.0620	1.55-1.30c pm	8.30	3.96-3.65 pm	7.38
Canada	1.1718-1.1726	1.1723-1.1728	0.01c pm-0.01 dis	—	0.11-0.14dis	−0.43
Nethlnd.	1.9995-2.0085	2.0045-2.0085	0.47-0.38c pm	2.54	1.02-0.92 pm	1.93
Belgium	29.15-29.24½	29.23-29.24½	1.00-2.6c dis	−0.11	1-3 dis	−0.27
Denmark	5.2455-5.2625	5.2595-5.2610	1.50-2.00ore dis	−3.99	5.50-6.00dis	−4.37
W. Ger.	1.8205-1.8272	1.8262-1.8272	0.80-0.70pf pm	4.93	2.15-2.05 pm	4.60
Portugal	48.87-49.18	49.08-49.18	26-40c dis	−7.94	80-120 dis	−8.14
Spain	66.04-66.09	66.05-66.09	120-150c dis	−24.52	325-355dis	−20.58
Italy	816.00-818.40	818.00-818.40	0.75-1.25lire dis	−1.47	5.0-6.0 dis	−2.69
Norway	4.9960-5.0160	5.0150-5.0160	par-0.50 dis	−0.60	0.15-0.35dis	−0.20
France	4.2410-4.2565	4.2535-4.2555	0.12-0.20c dis	−0.45	0.45-0.55dis	−0.47
Sweden	4.2070-4.2140	4.2130-4.2140	0.30-0.50ore dis	−2.17	1.50-1.70dis	−1.52
Japan	216.20-216.60	216.40-216.60	1.10-0.95y pm	5.65	2.85-2.70 pm	5.13
Austria	13.305-13.355	13.350-13.355	6.90-5.40gro pm	5.08	15.75-14.25pm	4.49
Switz.	1.6435-1.6532	1.6522-1.6532	1.48-1.43c pm	10.56	4.01-3.96 pm	9.64

†UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

Aug. 13	Bank of England Index	Morgan Guaranty changes %
Sterling	71.2	−34.1
U.S. dollar	84.5	−8.8
Canadian dollar	80.3	−17.4
Austrian schilling	148.5	+19.9
Belgian franc	114.2	+13.6
Danish kroner	113.8	+2.6
Deutsche mark	161.9	+42.3
Swiss franc	197.5	+81.2
Guilder	123.5	+18.5
French franc	99.0	−7.3
Lira	55.3	−48.6
Yen	131.9	+30.4

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

CURRENCY RATES

Aug. 13	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	14	0.578665	0.616524
U.S. $	10	1.30379	1.38823
Canadian $	11¾	1.52817	1.62679
Austria Sch	3¾	17.3600	18.4565
Belgian F	9	38.0611	40.5154
Danish K	9	6.83707	7.28819
D Mark	5	2.37498	2.52935
Guilder	8	2.61019	2.77951
French Fr.	9½	Unavail.	5.89198
Lira	10½	1064.64	1133.49
Yen	5¼	281.619	300.273
Nrwgn. K	7	6.51569	6.93906
Spanish Pes.	8	86.1127	91.8201
Swedish Kr.	7	5.46309	5.84027
Swiss Fr.	1	2.14539	2.28433

OTHER MARKETS

August 13	£	$		£ Note Rates
Argentina Peso	5103-5123	1890-1595	Austria	29-30
Australia Dollar	1.9750-1.9850	0.8830-0.8875	Belgium	67½-68½
Brazil Cruzeiro	59.46-60.46	26.60-27.06	Denmark	11.65-11.80
Finland Markka	8.52-8.53	3.8100-3.8150	France	9.40-9.55
Greek Drachma	80.778-82.714	35.95-36.80	Germany	4.00-4.10
Hong Kong Dollar	11.5630-11.5970	5.1710-5.1820	Italy	1,800-1,850
Iran Rial	157.08-166.06	70-74	Japan	480-490
Kuwait Dinar (KD)	0.615-0.625	0.2752-0.2765	Netherlands	4.40-4.50
Luxembourg Frc.	65.35-65.45	29.23-29.26	Norway	11.10-11.25
Malaysia Dollar	4.8180-4.8310	2.1560-2.1605	Portugal	105-110
New Zealand Dlr.	2.1905-2.2005	0.9795-0.9840	Spain	145-148
Saudi Arab. Riyal	7.52-7.62	3.3602-3.3607	Switzerland	3.65-3.75
Singapore Dollar	4.8140-4.8280	2.1530-2.1590	United States	2.23½-2.25
Sth. African Rand	1.8725-1.8825	0.8375-0.8420	Yugoslavia	43-44

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU August 13	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.4582	40.5154	+2.68	+1.37	±1.53
Danish Krone	7.08592	7.28318	+2.85	+1.55	±1.635
German D-Mark	2.51064	2.52935	+0.75	−0.56	±1.1325
French Franc	5.79831	5.89198	+1.62	+0.31	±1.35
Dutch Guilder	2.72077	2.77951	+2.16	+0.85	±1.5075
Irish Punt	0.662638	0.672264	+1.45	+0.14	±1.665
Italian Lira	1148.15	1133.49	−1.28	−1.28	±4.0725

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

August 13	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.236	4.088	484.5	9.515	3.695	4.490	1828.	2.621	65.40
U.S. Dollar	0.447	1.	1.828	216.7	4.255	1.653	2.008	817.6	1.172	29.25
Deutschemark	0.245	0.547	1.	118.5	2.328	0.904	1.098	447.3	0.641	16.00
Japanese Yen 1,000	2.064	4.615	8.437	1000.	19.64	7.626	9.267	3773.	5.409	135.0
French Franc 10	1.051	2.350	4.296	509.2	10.	3.883	4.719	1921.	2.754	68.73
Swiss Franc	0.271	0.605	1.106	131.1	2.575	1.	1.215	494.8	0.709	17.70
Dutch Guilder	0.223	0.498	0.910	107.9	2.119	0.823	1.	407.2	0.584	14.57
Italian Lira 1,000	0.547	1.223	2.236	265.0	5.204	2.021	2.456	1000.	1.433	35.77
Canadian Dollar	0.382	0.853	1.560	184.9	3.631	1.410	1.713	697.7	1.	24.96
Belgian Franc 100	1.529	3.418	6.250	740.8	14.55	5.650	6.865	2795.	4.007	100.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one month 10.80-10.90 per cent; three months 10.90-11.00 per cent; six months 10.90-11.00 per cent; one year 10.60-10.70.

Aug. 13	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	13¾-14	10⅝-10⅞	10½-11½	8¼-8½	⅝-⅞	6⅜-6½	10⅜-10⅝	8-11	—	2½-5½
7 days' notice	13⅞-14⅛	10⅝-11	10⅝-11⅛	8¼-8½	¾-1	6⅜-6½	10⅜-10⅝	11-13	10⅝-10⅞	5⅜-5½
Month	14⅛-14⅜	11-11¼	11¼-11⅝	8½-8¾	1¼-1⅜	6⅝-6¾	11⅛-11½	12½-13½	11⅛-11⅜	5½-6½
three months	14⅛-14⅜	11¼-11½	11¼-11⅝	9¼-9⅜	1¾-1⅞	6⅝-6¾	11¾-12	13½-14½	11¼-11⅝	6¼-6⅝
six months	14¼-14½	11⅛-11⅜	11⅛-11⅜	9⅛-9⅜	2⅛-2¼	6⅞-7	12¼-12⅝	14-15	11⅛-11⅜	6¼-6⅝
one year	13½-13¾	10⅞-11⅛	10⅞-11⅛	9⅛-9⅜	2⅛-2⅜	6⅞-7	12¼-12⅝	14¼-15¼	10⅞-11	6⅛-6½

Long-term Eurodollar: two years 10¼-10½ per cent; three years 10¼-10½ per cent; four years 10¼-10½ per cent; five years 10¼-10½ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

European rates steady

European short term interest rates showed little change overall. In Paris call money rose to 10½ per cent from 10⅜ per cent, while one-month firmed slightly to 10½-10⅝ per cent from 10 7/16-10 9/16 per cent, and 12-month to 10 13/16-10 15/16 per cent from 10⅝-10¾ per cent. Three-month money was unchanged at 10⅝-10¾ per cent, and six-month at 10 11/16-10 13/16 per cent.

FRANKFURT — Call money rose to 6.30-6.40 per cent from 6.15-6.25 per cent. One-month was unchanged at 6.45-6.55 per cent, but three-month eased to 6.90-7.00 per cent from 6.95-7.05 per cent, and six-month to 7.30-7.40 per cent from 7.35-7.45 per cent. 12-month funds firmed to 7.40-7.60 per cent from 7.35-7.45 per cent.

BRUSSELS — Deposit rates for the Belgian franc were quoted as follows: one-month 11¾-12¼ per cent; three-month 11¾-12¼ per cent; six-month 11⅜-11⅞ per cent; and 12-month 10⅜-10⅞ per cent. Call money eased to 9.05 per cent from 10.5 per cent.

AMSTERDAM — Call money was quoted at 8⅜-8⅝ per cent, compared with 8⅜-8⅝ per cent on Friday. One-month funds rose to 9¼-9½ per cent from 9-9¼ per cent, while three-month were unchanged at 9¼-9½ per cent. Six-month money rose to 9¼-9½ per cent from 9⅛-9⅜ per cent.

SINGAPORE — Several banks raised their prime rates yesterday, with Bank of America increasing its rate by ½ per cent to 8¾ per cent. Bank of Montreal, Chase Manhattan Bank, Citibank, and First National Bank of Chicago made similar moves, while Credit Lyonnais increased its prime rate by ½ per cent to 8¾ per cent, and the Royal Bank of Canada by ½ per cent to 9¼ per cent. Barclays Bank reduced its prime rate by ¼ per cent to 8¾ per cent.

HONG KONG — The money market was steady, with call money at 10 per cent, and overnight at 10½ per cent.

GOLD

Sharp fall

Gold fell $4¾ to close at $297¼-298. It opened at $302¾-303¼ and touched a high point of $304-304½ around the time of the morning fixing. Selling from New York pushed the metal down sharply in the afternoon to a low level of $296½-297.

In Paris the 12½ kilo gold bar was fixed at FFr 43,600 per kilo ($319.57 per ounce) in the afternoon, compared with FFr 43,900 ($322.03) in the morning, and FFr 43,750 ($321.20) Friday afternoon.

	Aug. 13	Aug. 10
Gold Bullion (fine ounce)		
Close	$297¼-298 (£133-135)	$302-302¾ (£134.5-134.7)
Opening	$302¾-303½ (£134.59-134.86)	$299¾-300½ (£133.8-134.2)
Morning fixing	$304.10 (£134.886)	$302.50 (£135.269)
Afternoon fixing	$298.75 (£133.490)	$303.75 (£134.522)
Gold Coins, domestically		
Krugerrand	$306¾-308¼ (£137-138)	$313½-315½ (£138½-139½)
New Sovereigns	$77¾-79¾ (£34¾-35¼)	$77¾-79¾ (£34½-35½)
Old Sovereigns	$102¼-104¼ (£45¾-46¾)	$103½-105½ (£46-47)
Gold Coins, internationally		
Krugerrand	$306¼-308¼ (£137-138)	$313½-315½ (£138½-139½)
New Sovereigns	$78¾-79¾ (£34¾-35½)	$77¾-79¾ (£34½-35½)
Old Sovereigns	$102¼-104¼ (£45¾-46¾)	$103½-105½ (£46-47)
$20 Eagles	$415-420	$416-421
$10 Eagles	$237-242	$236-241
$5 Eagles	$180-185	$179-185

UK MONEY MARKET

Exceptional assistance

Bank of England Minimum Lending Rate 14 per cent (since June 12, 1979)

Day-to-day credit was in short supply in the London money market yesterday, largely reflecting the recall of special deposits to the Bank of England. The authorities gave an exceptionally large amount of assistance by buying a moderate number of Treasury bills from the discount houses and banks, and a small amount of local authority bills. Some of the bills bought from the houses were for resale at fixed future dates, while the Bank of England completed the assistance by lending a very large amount, overnight at Minimum Lending Rate, to nine or 10 houses.

Other factors against the market were a large net take-up of Treasury bills, run-down balances brought forward by the banks, and repayment of Friday's market advances. On the other hand Government disbursements exceeded revenue payments to the Exchequer, and the market was also helped by the authorities' purchase of gilt edged stock.

Discount houses paid 13¾ per cent for secured call loans in the early part, and closing balances were taken at 13-13½ per cent.

Rates in the table below are nominal in some cases.

LONDON MONEY RATES

Aug. 13 1979	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ⊕	Eligible Bank Bills ⊕	Fine Trade Bills ⊕
Overnight	—	13-14¼	—	—	—	14⅛	13-13¾	—	—	—
2 days notice	—	—	14¼-14½	—	—	—	—	—	—	—
7 days or 7 days notice	—	14-14⅛	14⅛-14½	—	14⅝	14⅛	13⅞	—	—	—
One month	14¼-14⅛	14⅛-14⅜	14-14⅛	15-14⅝	14⅝	14⅝	13⅞	13 13/16-13¼	14⅞	14⅛
Two months	14¼-14⅛	14 7/16-14 5/16	—	14⅛-14¼	14⅝	—	13¾	13 13/16	14 7/16	14½
Three months	14 3/16-14 1/16	14 7/16-14¼	14-14⅛	14⅛-13⅞	14⅝	14⅛	13⅝	13 11/16-13 9/16	14 1/16	14⅛
Six months	13 11/16-13 9/16	13⅞-13⅝	13½-14	13⅝-13	14	—	—	—	12¾	13½
Nine months	12 13/16-12 11/16	12⅞-13	—	13-12⅝	13⅛	—	—	—	—	—
One year	12 13/16-12 11/16	12⅞-12 15/16	13	12¾-12⅝	13¼	—	—	—	—	—
Two years	—	—	13-13⅛	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days fixed. * Long-term local authority mortgage rates nominally three years 12⅞-13⅛ per cent; four years 12⅞-13⅛ per cent; five-years 12⅞-13⅛ per cent. ⊕ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 13⅞ per cent; four-month trade bills 13¾ per cent.

Approximate selling rate for one-month Treasury bills 13 9/16 per cent; two-month 13⅝ per cent; three-month 13⅝ per cent. Approximate rates for one-month bank bills 14 1/16 per cent; two-month 14 1/16 per cent; and three-month 13 15/16 per cent; one-month trade bills 14⅝ per cent; two-month 14⅛ per cent and three-month 14 per cent.

Finance House Base Rates (published by the Finance Houses Association) 14 per cent from August 1, 1979. Clearing Bank Deposit Rates for small sums at seven days' notice 11½-12 per cent. Clearing Bank Rates for lending 14 per cent. Treasury Bills: Average tender rates of discount 13.2760 per cent.

MONEY RATES

NEW YORK	
Prime Rate	11.5-11.75
Fed Funds	10.875
Treasury Bills (13-week)	9.39
Treasury Bills (26-week)	9.41
GERMANY	
Discount Rate	5
Overnight Rate	6.35
One month	6.50
Three months	6.95
Six months	7.35
FRANCE	
Discount Rate	9.5
Overnight Rate	10.5
One month	10.5625
Three months	10.6875
Six months	10.75
JAPAN	
Discount Rate	5.25
Call (Unconditional)	6.75
Bills Discount (three-month)	7.00

WORLD VALUE OF THE POUND

The table below gives the latest available rates of exchange for the pound against various currencies on August 13, 1979. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Exchange in the UK and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Abbreviations: (A) approximate rate, no direct quotation available; (F) free rate; (P) based on U.S. dollar parities and going sterling/dollar rate; (S) member of the sterling area other than Scheduled Territories; (T) tourist rate; (Bas) basic rate; (bg) buying rate; (Bk) bankers' rate; (cm) commercial rate; (cn) convertible rate; (fn) financial rate; (exC) exchange certificate rate; (k) Scheduled Territory; (nc) non-commercial rate; (nom) nominal; (o) official rate; (sg) selling rate.

PLACE	LOCAL UNIT	VALUE OF £ STERLING
Afghanistan	Afghani	95.00
Albania	Lek	10.207
Algeria	Dinar	8.6166
Andorra	French Franc	9.515
	Spanish Peseta	147.70
Angola	Kwanza	64.475
Antigua (S)	E. Caribbean $	6.0427
Argentina	Ar. Peso Free Rate	5,113
Australia (S)	Australian $	1.9800
Austria	Schilling	29.875
Azores	Portug. Escudo	109.45
Bahamas (S)	Ba. Dollar	2.2360
Bahrain (S)	Dinar	0.856
Balearic Isles	Spa. Peseta	147.70
Bangladesh (S)	Taka	32.80 (sg)
Barbados (S)	Babados $††	4.472
Belgium	B. Franc	(cm) 65.40; (fn) 67.85
Belize	B $	4.472
Benin	C.F.A. Franc	475¾
Bermuda (S)	Bda $	2.2360
Bhutan	Indian Rupee	17.92 (sg)
Bolivia	Bolivian Peso	44.72
Botswana (S)	Pula	1.85177
Brazil	Cruzeiro ‡‡	59.96
Brit. Virgin Isles (S)	U.S. $	2.2360
Brunei (S)	Brunei $	4.8210
Bulgaria	Lev	1.7930
Burma	Kyat	15.0417
Burundi	Burundi Franc	202.275
Cameroon Repub'c	C.F.A. Franc	475¾
Canada	Canadian $	2.6205
Canary Islands	Spanish Peseta	147.70
Cape Verde Isle	Cape V. Escudo	81.6365
Cayman Islands (S)	Cay. Is. $	1.8633
Cent. Af. Empire	C.F.A. Franc	475¾
Chad	C.F.A. Franc	475¾
Chile	C. Peso	(Bk) 87.45
China	Renminbi Yuan	3.4499
Colombia	C. Peso	(F) 95.90
Comoro Islands	C.F.A. Franc	475¾
Congo (Braz'ville)	C.F.A. Franc	475¾
Costa Rica	Colon	19.23
Cuba	Cuban Peso	1.69835
Cyprus (S)	Cyprus £	0.7790
Czechoslovakia	Koruna	(com) 11.25; n/c 32.50; (T) 18.90
Denmark	Danish Krone	11.775
Djibouti	Fr.	385.0
Dominica (S)	E. Caribbean $	6.0427
Dominican Repub.	Dominican Peso	2.2360
Ecuador	Sucre	(O) 55.78; (F) 63.24
Egypt	Egyptian £	(U) 1.560
Equatorial Guinea	Peseta	147.70
Ethiopia	Ethiopian Birr	(P) 4.6338
Falkland Islands (S)	Falkland Is. £	1.0
Faro Islands	Danish Krone	11.775
Fiji Islands	Fiji $	1.8305
Finland	Markka	8.525
France	French Franc	9.51½
French C'tyin Af*	C.F.A. Franc	475¾
French Guiana	Local Franc	9.51½
French Pacific Is.	C.F.P. Franc	173.0
Gabon	C.F.A. Franc	475¾
Gambia (S)	Dalasi	4.0
Germany (East)	Ostmark	4.0875
Germany (West)	Deutsche Mark	4.0875
Ghana (S)	Cedi	6.15 (sg)
Gibraltar (K)	Gibraltar £	1.0
Gilbert Islands	Australian $	1.9800
Greece	Drachma	n.a.
Greenland	Danish Kroner	11.775
Grenada (S)	E. Caribbean $	6.0427
Guadaloupe	Local Franc	9.515
Guam	U.S. $	2.2360
Guatemala	Quetzal	2.2360
Guinea Republic	Sily	42.454
Guinea Bissau		75.6733
Guyana (S)	Guyanese $	5.7015
Haiti	Gourd	11.18
Honduras Repub.	Lempira	4.50
Hong Kong (S)	H.K. $	11.57⅛
Hungary	Forint	(com) 77.30; (T)(nc) 44.17
Iceland (S)	I. Krona	812.50
India (S)	Ind. Rupee	17.92 (sg)
Indonesia	Rupiah	1,397½
Iran	Rial	161.57
Iraq	Iraq Dinar	0.66365
Irish Republic (k)	Irish £	1.0875
Israel	Israel £	59.25
Italy	Lira	1828¼
Ivory Coast	C.F.A. Franc	475¾
Jamaica (S)	Jamaica Dollar	3.9879
Japan	Yen	484.5
Jordan (S)	Jordan Dinar	0.662
Kampuchea	Riel	2683.2
Kenya (S)	Kenya Shilling	16.585
Korea (Nth)	Won	2.00(i)
Korea (Sth)	Won	1087.79
Kuwait (Sth)	Kuwait Dina	0.620
Laos	Kip Pot Po	894.4
Lebanon	Lebanese £	7.2558
Lesotho	S. African Rand	1.8775
Liberia	Liberian $	2.2360
Libya	Libyan Dinar	0.6620
Liechtenstein	Swiss Franc	3.695
Luxembourg	Lux Franc	65.40
Macao	Pataca	11.87
Madeira	Portug'se Escudo	109.45
Malagasy Republic	MG Franc	475¾
Malawi (S)	Kwacha	1.8050
Malaysia (S)	Ringgit	4.8245
Maldive Islands (S)	Mal Rupee	5.7075
Mali Republic	Mali Franc	9.515
Malta (S)	Maltese £	0.7900
Martinique	Local Franc	9.515
Mauritania	Ouguiya ‡	95.065
Mauritius (S)	M. Rupee	13.8666
Mexico	Mexican Peso	51.23
Miquelon	C.F.A. Franc	475¾
Monaco	French Franc	9.515
Mongolia	Tugrik	(O) 6.665(I)
Monserrat	E. Caribbean $	6.0427
Morocco	Dirham	8.59 (sg)
Mozambique	Moz. Escudo	65.096
Nauru	Australian Dollar	1.9800
Nepal	Nepalese Rupee	26.83
Netherlands	Guilder	4.49
NetherlandAntilles	Antillian Guilder	4.0024
New Hebrides	Franc.	152.778
	Aust. Dollar	1.9880
New Zealand (S)	N. Z. Dollar	2.1956
Nicaragua	Cordoba	15.75
Niger Republic	C. F. A. Franc	475¾
Nigeria (S)	Naira	1.267318 (sg)
Norway	Norway Krone	11.215
Oman Sultanate of (S)	Rial Omani	0.779
Pakistan	Pakistan Rupee	22.12
Panama	Balboa	2.2360
Papua N. Guinea (S)	Kina	1.5750
Paraguay	Guarani	279.86
Peoples D. Repub. of Yemen (S)	S. Yemen Dinar	(A) 0.7635
Peru	Sol	exc(A) 513.75
Philippines	Philippine Peso	16.43
Pitcairn Islands (S)	£ Sterling	—
	New Zealand $	2.1955
Poland	Zloty	(Cm) 65.58; (T) 63.38
Portugal	Portugu'se Escudo	109.45
Port Timor	Timor Escudo	109.45
Principe Islands	Portugu'se Escudo	109.45
Puerto Rico	U.S. $	2.2360
Qatar (S)	Qatar Ryal	8.44
Reunion Ile de la	French Franc	9.515
Rhodesia	Rhodesian $	1.5606
Romania	Leu	(Cm) 9.97; (nc)(T) 25.77
Rwanda	Rwanda Franc	2.0973
St. Christopher (S)	E. Caribbean $	6.0427
St. Helena	St. Helena £	1.0
St. Lucia	E. Caribbean $	6.0427
St. Pierre	C.F.A. Franc	475¾
St. Vincent (S)	E. Caribbean $	6.0427
Salvador El	Colon	5.61
Samoa American	U.S. $	2.2360
San Marino	Italian Lire	1828¼
Sao Tome	Portugese Escudo	109.45
Saudi Arabia	Ryal	7.57
Senegal	C.F.A. Franc	475¾
Seychelles	S. Rupee	15.53
Sierra Leone (S)	Leone	2.3331
Singapore (S)	Singapore $	4.8210
Solomon Islands (S)	Solomon Is. $	1.9613
Somali Republic	Somali Shilling	(A) 13.4699
South Africa (S)	Rand	1.8775
South West African Territories (S)	S. A. Rand	1.8775
Spain	Peseta	147.7
Spanish ports in North Africa	Peseta	147.7
Sri Lanka (S)	S. L. Rupee	34.90
Sudan Republic	Sudan £ †	1.235
Surinam	S. Guilder	4.0024
Swaziland (S)	Lilangeni	1.8775
Sweden	S. Krona	9.42½
Switzerland	Swiss Franc	3.695
Syria	Syria £	(A) 8.7789
Taiwan	New Taiwan	(P) 80.496
Tanzania (S)	Tan. Shilling	18.50
Thailand	Baht	45.75
Togo Republic	C.F.A. Franc	475¾
Tonga Islands (S)	Pa'anga	1.9815
Trinidad (S)	Trinidad & Tob' $	5.3664
Tunisia	Tunisian Dinar	0.913 (sg)
Turkey	Turkish Lira	106.325
Turks & Caicos	U.S. $	2.2360
Tuvalu	Australian $	1.9800
Uganda (S)	Uganda Shilling	17.50
United States	U.S. Dollar	2.2360
Uruguay	Uruguay Peso	(cm) 18.08; (fn) 18.04
Utd. Arab Emirates	U.A.E. Dirham	8.58
U.S.S.R.	Rouble	1.50
Upper Volta	C.F.A. Franc	475¾
Vatican	Italian Lire	1828¼
Venezuela	Bolivar	9.58
Vietnam	Dong	(O) 4.874; (T) 4.90 (sg)
Virgin Islands U.S.	U.S. Dollar	2.2360
Western Samoa (S)	Samoan Tala	1.9725
Yemen	Ryal	10.20 (sg)
Yugoslavia	New Y Dinar	43.0014
Zaire Republic	Zaire	3.440445
Zambia	Kwacha	1.705

* That part of the French community in Africa formerly French West Africa or French Equatorial Africa. † Rupees per pound. ‡ General rates of oil and iron exports 93.912. ‡‡ Based on gross rates against Russian rouble. ** Rate is the transfer market (controlled). †† Rate is now based on 2 Barbados $ to the dollar. ‡‡ Now one official rate. (U) Unified Rate. Applicable on all transactions except countries having a bilateral agreement with Egypt, and are not members of IMF. ⊕ Incentive rate.

INTERNATIONAL COMPANIES and FINANCE

NORTH AMERICAN NEWS

Surprise retirement of Amdahl founder

By Our New York Staff

MR. GENE AMDAHL, founder of one of the fastest-growing young computer companies in the U.S., is to retire as chairman of Amdahl Corporation on September 1.

Coming just a week after Amdahl revealed that it was discussing a merger with Memorex Corporation, the announcement was a considerable surprise to the computer world, and inevitably sparked speculation that Mr. Amdahl's departure may be connected with the Memorex talks.

Amdahl insists, however, that the founder's decision to relinquish his roles as chairman and director "is entirely independent of the Memorex merger discussions."

Mr. Amdahl will, says the company, retain some involvement in its affairs by heading a new Technicals Excellence Committee.

Mr. Amdahl, aged 57, started his company in 1975 after a successful career as a leading computer designer at International Business Machines. His plan was to market substitutes for the central processing units of IBM's largest computers.

Last year was only Amdahl's third full year of operations, by which time it had achieved earnings of $48.2m on sales of $320.9m.

This year, however, has been much heavier going, forcing Amdahl to resort to computer leasing, which had no part of the founder's original conception. This was due almost entirely to rumours that IBM will introduce another series of large computers next year, prompting an aversion among Amdahl customers to purchasing compatible processors which may not be compatible with any new IBM series.

URW strike gives Uniroyal $3m second quarter loss

BY JOHN WYLES IN NEW YORK

THE 40-DAY strike of the United Rubber Workers in April and May cost Uniroyal $10m in net income and plunged the company into a $3.1m, or 16 cents a share deficit for its second quarter. Last year there was a profit of $8.6m, equal to 28 cents a share.

The company's earnings report presents the now familiar picture of U.S. tyre operations struggling for reasonable profits and of a company still being carried by the growing strength of its chemical business.

Strapped for cash and in need of reducing its $574.1m of long-term debt, Uniroyal has sought to dispose of a number of assets, including most recently its tyre plants in Belgium, Germany, France and the UK. These have been purchased by Continental Gummiwerke for an undisclosed price "and on which no significant gain or loss is anticipated," says Uniroyal.

Its earnings report, however, adds that the operations had sales of approximately $97m during the quarter and were unprofitable, due to competitive pricing, available capacity in the industry, foreign exchange losses and certain non-recurring expenses relating to the sale, which became effective on July 1.

Total tyre and related products sales were $416m during the quarter, compared with $422m a year ago. Operating losses were $10m due to the URW strike and other factors. Operating earnings a year ago were $17m.

Chemicals, rubber and plastic materials again provided the backbone of the company's performance, with an increase in operating profits from $23m to $31m on sales of $125m, the same as last year.

Operating profits from fabricated rubber and plastic products fell from $5.4m to $4.9m, despite a sales increase from $115m to $120m.

Overall, the company's net sales fell from $738.8m to $726.8m, and the second quarter loss contrasted with net income of $8.6m.

Exxon warning on Reliance bid

BY STEWART FLEMING IN NEW YORK

THE FUTURE of Exxon's $1.17bn takeover bid for Reliance Electric was in the balance yesterday when the oil company warned that it would drop the bid if a court order is issued against the merger.

In the wake of the controversial takeover move by the largest US oil company, the Federal Trade Commission launched an anti-trust case against the deal seeking to block it. Late last month, the U.S. district court in Washington issued a temporary injunction against the transaction pending a fuller hearing on the FTC's move to obtain a preliminary injunction barring the merger.

When hearings on the preliminary injunction re-opened yesterday, the FTC quickly modified its position, saying that it would not object to Exxon's purchase of Reliance Electric stock provided that Exxon agrees not to exercise control over the electric motor manufacturer while a court order requiring Exxon to hold Reliance as a separate entity is in effect.

On Friday, the FTC had opened up another line of attack by issuing an administrative complaint, charging that the proposed merger violates anti-trust laws.

The thrust of this action means that the FTC plans to try to force Exxon to divest itself of Reliance even if the oil company is permitted by the courts to complete the merger.

The FTC's decision not to press for a preliminary injunction, but to seek instead a "hold separate" order requiring Exxon not to exercise control during the period the order is in effect, represents a retreat by the anti-trust agency. The Commission has never been able to obtain a preliminary injunction barring a bid in a case such as the Exxon-Reliance proposal, however.

Exxon, however, appears to be determined to fight any move to restrict its ownership. Exxon's lawyers told Judge John Pratt that a court order requiring Exxon to hold Reliance separate pending the outcome of the administrative proceedings against the deal would be unacceptable.

About 95 per cent of the common stock holders of Reliance have tendered their shares to Exxon in response to its $72 a share offer, but Exxon has been prevented from completing the merger by the court's temporary restraining order.

IH to expand tractor plants in Europe

By Hazel Duffy, Industrial Correspondent

THE TRACTOR division of International Harvester (IH) has announced a $28.3m expansion plan for its tractor plants in France, Germany and the UK. The purpose of the investment is that IH will manufacture its own tractor cabs instead of buying them from outside suppliers as does the company now.

The immediate beneficiary of the plans will be the IH plant at Croix, in northern France. The plant was selected as the location for the manufacture of the cabs on grounds of cost advantage and geographical proximity to the plants in the UK and Germany. By the time that the unit is in full production, some 350 new jobs will have been created. Some of these will be filled by staff being taken off other production work at Croix. The investment in France will total $20m.

The balance will be spent on adapting IH plants in Germany and the UK to take the new tractor cabs.

Currency loss hits Sunbeam

BY TERRY BYLAND

A FALL in earnings at Sunbeam Corporation, the consumer appliance manufacturer, was steepened by foreign exchange factors in the opening quarter of the current year. Despite a minor gain in sales—1.8 per cent up at $291.4m—earnings fell by 24 per cent to $8.4m, or from 75 cents to 57 cents a share.

The company points out that this year's first quarter takes in a loss of $565,000, or 4 cents a share, from discontinued operations and also a foreign exchange loss of $796,000 compared with a similar profit of $1.4m, or 10 cents a share, last time.

At the previous year-end Sunbeam, one of the world's largest manufacturers of small household appliances, had lifted earnings by 2.5 per cent to $90.9m, on sales increased by 12 per cent to $1.3m.

Among factors contributing to last year's lacklustre performance, higher interest charges due partly to higher interest rates and partly to greater borrowings to support inventories, were singled out for comment by the directors.

About one-half of the group's consumer product sales currently come from the international division, which operates subsidiaries throughout Europe and the Far East.

Hart Schaffner growth slows

CHICAGO—Hart Schaffner and Marx, the clothing specialist, expects to report a small increase in earnings on a sales increase of about 3 per cent in the third quarter ending August 31, according to Mr. Jerome S. Gore, the president and chief executive. In the comparable period, the group reported net income of $3.3m or 38 cents a share on sales of $146.8m.

Mr. Gore said that earnings growth for the second half will not keep pace with the 16 per cent increase registered in the first half, when net income was $11.2m or $1.30 a share.

For the fiscal year, net income should exceed $2.27 a share. In fiscal 1978, Hart Schaffner earned $18m or $2.09 a share. Sales should increase about 4 per cent from the year earlier's $606.6m.

Hart Schaffner's return on investment should increase to 9.7 per cent or 9.8 per cent in fiscal 1979 from 9.3 per cent in fiscal 1978.

Retail profit margins, which have been disappointing in the past, are higher this year, although "we've still got room for improvement."

Retailers in general have been cautious in ordering both autumn and spring merchandise, which implies that Hart Schaffner's manufacturing operations "will be pretty flat this fall." Unit production also will be flat next spring, said Mr. Gore.

However, the signs are not all bad for consumer spending. Hart Schaffner's retail division, after posting a weak 3 per cent sales increase in June over the year-ago month, recovered with an 8 per cent increase in July. AP-DJ

EUROMARKETS

Mexico opts for convertible funding

By Francis Ghilès

THE United Mexican States is raising a $200m medium term credit with a bullet maturity of 10 years through a group of banks led by Société Générale de Banque. The agreement between lender and borrower includes an option which allows the former to convert part of the total amount into a fixed interest rate Eurobond during the first five years of the loan's life.

The manager will propose, at least at six-monthly intervals, possible terms on which part of the loan might be floated as a bond. The size of this eventual bond is not likely to exceed $75m, and the part of the loan which would thus be converted into a fixed rate bond would be redeemed without penalty for the borrower.

The outstanding amount of the loan facility would be maintained unless it is prepaid. This outstanding loan may later be converted, in part or in total, into further bond facilities.

The United Mexican States is paying a spread over the six-month Libor rate of ¾ per cent for the first five years of the life of the initial loan, rising to ⅞ per cent for the last five.

The management group includes all the members of the European Banking International Company (EBIC), plus Crédit Suisse, First Boston, Mitsubishi Bank and Banque Générale de Luxembourg.

The dollar sector of the bond market was extremely quiet yesterday with no change in prices. In the Deutsche-Mark sector, prices of both foreign and domestic D-Mark issues posted further gains. The Bundesbank sold DM20m-worth of paper to satisfy investor demand for domestic bonds. Some German banks report strong interest from outside Germany in the DM1.6bn Federal Government domestic bond, the terms of which were announced last Friday.

A FFr 120m five-year issue for Air France is expected in the French franc sector of the market some time next week. The indicated coupon is likely to be 10¾ per cent.

Euroloan for South Africa

By Our Euromarkets Staff

SOUTH AFRICA'S electricity supply company, ESCOM, is reported in the Euromarkets to be raising a $25m five-year loan, guaranteed by the South African Government.

The loan will be fully syndicated and managed by the British merchant bank Hill Samuel. The bank's officials refused yesterday to comment on the transaction.

Terms on the credit are said to comprise a spread of 1⅛ per cent over interbank rates for the first two years, and 1¼ per cent thereafter.

Hill Samuel has traditionally had close ties with South Africa, including a subsidiary banking organisation in the Republic.

Nevertheless, this is believed to be one of the few publicly-syndicated transactions for South Africa to be launched by a British bank on the Euromarkets in recent years. Most lending to the Republic has been proceeding on a private basis, particularly from German and Swiss banks.

Improvement in results at Dutch shipbuilding group

BY CHARLES BATCHELOR IN AMSTERDAM

THE RESULTS of the troubled Dutch shipbuilding group, Rijn-Schelde-Verolme (RSV) improved considerably in the first seven months of this year. This trend is expected to continue in 1980, the company chairman, Mr. Allerd Stikker, said at the launching of a frigate built by RSV at its Schiedam yard.

The injection of government aid and the reorganisation of the company have been responsible for the improvement. He pointed out, however, that general economic and other uncertainties will continue to affect RSV in the future.

A total of between Fl 475-495m ($237-247m) in aid has been announced for RSV this year following an injection of Fl 415m in 1978. Between Fl 230-250m will be provided for the company's VDSM yard near Rotterdam to allow it to maintain the capacity to assemble large vessels while Fl 245m will be made available to other RSV yards.

Mr. Stikker said it was essential that a decision be taken soon on the members of the management of the new company to be formed from VDSM's new construction yard, the RDM offshore yard and two engineering subsidiaries.

RSV reported net losses of Fl 59.7m ($29.8m) in 1978 on sales of Fl 2.5bn, bringing net losses over the past three years to Fl 143.3m.

The vessel launched in Schiedam was one of a series of 12 frigates being built by RSV for the Dutch navy. The final ship is due to be delivered in 1983.

* * *

THE DUTCH publishing group, Kluwer, will acquire the shares of the U.S. publisher, Stein Day Inc., of Briarcliff Manor, New York, later this month.

The management of the company will remain unchanged. Stein and Day brings out both fiction and non-fiction works and employs 32 people.

Kluwer's existing U.S. operation in Boston will publish its first works, which will cover scientific subjects, later this year. Kluwer is the third largest Dutch publishing house with 1978 sales of Fl 519m ($206m) and subsidiaries in Belgium, West Germany, the UK, France, Switzerland and the U.S.

Estel accounting challenged

BY OUR AMSTERDAM CORRESPONDENT

THE ACCOUNTS of two major Dutch companies, the steelmaker Estel and the OGEM construction group, have been challenged by the foundation for the investigation of business information, SOBI. The cases brought by SOBI, which aims to improve the quality of company accounts, will be heard by the Business Chamber of the Amsterdam District Court.

SOBI charges that Estel, the central management company of the Dutch-German group, and Koninklijke Nederlandse Hoogovens, the Dutch parent company which owns 50 per cent of Estel, had committed "serious acts of carelessness" in drawing up the 1978 accounts.

Estel did not include the balance-sheet and profit and loss account of Hoogovens in its annual report, it said. An undisclosed amount of debt was valued at "nil" in the accounts, while other loans were included at below their nominal value. Moreover, the company's corporation tax liabilities were presented in such a way that no insight is given into the actual state of affairs, SOBI says.

The company said it was "unpleasantly surprised" at SOBI's challenge but it believed the points raised were purely formal ones. In its annual report Estel said that the consolidation of Hoogovens' holding in Cindu-Key en Kramer, a chemicals and asphalt group, was not significant.

Against OGEM, SOBI's complaint is that it gave no indication of the contribution of the Nederhorst building operations to its 1978 result. SOBI estimated the contribution of Nederhorst at "several tens of millions of guilders" against OGEM's total declared profit of Fl 32.8m ($16.4m). SOBI also believes that the Nederhorst result was combined with that of OGEM, though OGEM has maintained it kept the figures separate.

OGEM's reply to these criticisms is that the points raised by SOBI had been considered at the last shareholders' meeting and OGEM had answered the queries at length.

SOBI also claims that OGEM must set the full costs of its share in the since liquidated West German Beton und Monierbau group against profits instead of dealing with them in the balance-sheet. It says OGEM should reveal that Fl 90m ($45m) of payments for a project in the Middle East had not been made because the work had not been approved.

It also calls for a consistent policy of accounting for currency losses on foreign assets and for a breakdown of payments and commission paid to acquire orders.

Growth for French funds

PARIS—Net assets of French open-end investment funds increased by 34.7 per cent last year to FFr 36.9bn compared with the FFr 27.4bn level of the end of 1977. Figures released by the Economics Ministry show that at the end of 1978 the assets included FFr 28.9bn in French equities, FFr 5.3bn in foreign equities, FFr 2.4bn in cash and the remainder in mortgage bills and treasury bonds.

Some 13 new funds were set up during the year and six others were transformed to take advantage of the "monory" law of July 1978, which was designed to encourage long-term investments. Under the law, taxpayers can deduct up to FFr 5,000 a year from their taxable income for four consecutive years provided their net holdings of French equities increase each year by the same amount. AP-DJ

BRAZILIAN CHEMICAL INDUSTRY

Further moves to replace oil

BY RIK TURNER IN SAO PAULO

THE BRAZILIAN part of the BASF group—comprising three major companies with total sales in 1978 of £85m ($187m) has announced its intention of bringing to the country technology developed by the parent company in Germany for the production of oleofins and aromatics from alcohol. While other companies have looked into the alcohol-based production of oleofins, BASF believe that this is the first time such work has been developed for aromatics. The move must be seen in the light of Brazil's energy programme, part of which seeks to reduce the country's heavy dependence on imported petroleum by its substitution by ethanol, ethyl alcohol produced from sugar cane.

While the present stage of the alcohol programme concentrates on petroleum substitution in petrol and diesel, BASF's announcement takes it into a new area, the use of alcohol as a petroleum alternative in the production of petrochemicals, where it is now designated "alcohol-chemicals."

Herr Hans Lautenschlager, the director of the group's Latin American division, was in Brazil recently to present the group's alcohol researches to the Brazilian Government. Mr. Camilo Pena, the Minister for Trade and Industry, confirmed that there were no legal or political obstacles to the transfer of the necessary technology.

So far, the group has only carried out the transformation into oleofin's, both ethylene and propylene, and aromatics—benzene and toluene—in non-continuous experiments, but this year will see the construction of two pilot factories, one at the group's headquarters at Ludwigshafen in Germany, the other in Brazil, probably at Guaratingeta, in the State of Sao Paulo.

While the German plant will work on a process starting from methanol or methyl alcohol, which is produced from coal, the factory in Brazil will start with ethanol. Both will work on small test quantities of about 15 tonnes per month, sufficient for the observation of BASF's development in a continuous process. By 1983, it is hoped to envisage large-scale production, and in the meantime Brazil will be increasing its alcohol output: by 1985, the country will be producing 10.5bn litres per annum, of which between 15 and 20 per cent will be for use in the chemical industry.

While the present stage of the alcohol programme concentrates on petroleum substitution in petrol and diesel, BASF's move takes it into a new area, the use of alcohol as a petroleum alternative in the production of petrochemicals.

Sources within the group indicated that at the same time nothing would impede its production of its own ethanol. At the moment, the process is being developed totally by BASF alone, but the same source emphasised that the group would have no objections to a joint venture with a Brazilian company at a later date. Indeed, the possibility is an attractive one, given that the Government offers financing for alcohol-based developments, provided the company concerned has a majority Brazilian participation. In the event, a likely partner, according to a source within the group, would be the Government's own petrochemical concern, Petroquisa.

BASF already has joint ventures in other areas in Brazil, such as Coffade, an associate with the national group Cofap for the production of polyurethane derivatives.

The group explained the difference between the petroleum and alcohol-based processes in these words: "With petroleum, the process is one of separation of the molecules, where here it is exactly the reverse. Three molecules of ethanol have to be united to make one of benzene, and so on. Although some aromatics are already produced in Brazil, benzene has to be imported for the manufacture of plastics (polyethylene), resins and solvents."

Herr Lautenschlager explained the importance of Brazil for BASF. "Outside Europe, the key points of our expansion are stil the U.S. and Brazil." BASF's sales in Latin America in 1978 were £260m, the £85m in Brazil thus being a substantial part of the group's continental earnings for 1979. There is a Brazilian investment plan (excluding the alcohol development) of £24m, with a further £20m-£26m annually for the next five years.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on August 13

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alcoa of Australia 10 89	50	98¼	98¾	0	+0¼	10.28
Alex Howden XW 9½ 91	20	80½	81½	−3	−3½	12.67
Australian Res. 9⅜ 84	30	97⅞	98⅜	−0⅛	+0⅛	10.12
Avco O/S Cap. 10½ 87	40	96⅞	97⅜	0	0	10.80
Bayer Int. F. XW 7⅛ 89	200	83¼	83¾	0	+0¼	10.01
Beneficial Fin. 9⅝ 87	100	98	98½	0	0	10.07
CECA 9¾ 84-99	50	94½	94¾	0	−0⅛	10.04
CECA 10⅜ 91	150	97⅞	98⅜	+0⅛	+0⅛	11.03
Canadian Pacific 9¾ 89	50	98¼	98¾	+0⅛	+0⅛	10.00
Carter Hawley 9¾ 86	50	97	97½	−0⅛	−0⅛	10.32
Comalco Inv. E. 10⅛ 91	40	99½	100	0	0	10.28
Continental Grp. 9⅝ 86	100	97⅞	98⅜	0	+0⅛	10.06
Dome Petroleum 10 94	50	98	98½	−0⅛	−0⅛	10.60
Dominion Bridge 10⅛ 84	30	99½	100	−0⅛	−0⅛	10.30
Dow Chem. O/S 9⅝ 94	200	97⅛	97⅝	−0⅛	0	9.94
EIB 9⅞ 86	150	99⅜	99⅞	0	+0⅛	9.94
EIB 9⅞ 99	100	99¾	100¼	−0⅛	+0⅛	10.12
EIB 9⅞ 87	150	100¼	100¾	−0⅛	−0⅛	10.02
EIB 10 99	150	100⅞	101⅜	−0⅛	+0⅛	10.11
Export Dv. Con. 9.85 84	150	100¼	100¾	−0⅛	+0⅛	9.94
Export Dv. Cpn. 9⅜ 84	100	97⅛	97⅝	0	0	9.98
Finland 9¼ 86	100	97½	98	0	+0⅛	9.98
Finland 9⅝ 89	100	98¼	98¾	−0⅛	−0⅛	10.11
GTE Finance 9½ 84	50	97⅞	98⅜	0	+0⅛	10.00
GTE Finance 9⅞ 89	65	95⅞	96⅜	0	0	10.39
General Motors 9⅛ 86	100	97⅛	97⅝	0	−0⅛	9.73
Gould Int. Fin. 9⅝ 85	50	98	98½	0	+0⅛	10.15
Hoechst Fin. XW 6⅞ 89	125	†78⅞	79⅜	−0⅛	−0⅛	10.16
Hudson Bay Co. 10 94	50	98¼	98¾	−0⅛	0	10.12
ITT Antilles 9⅝ 89	75	96⅛	96⅝	+0⅛	+0⅛	10.09
Kennecott Int. 9½ 86	100	94¾	95¼	−0⅛	−0⅛	10.55
Manitoba 9½ 89	75	96⅝	97⅛	0	0	10.00
Nat. Des Telecm 9¾ 86	100	98	98½	+0⅛	+0⅛	9.85
New Brunswick 9⅞ 94	75	96¼	96¾	−0⅛	0	10.22
Newfoundland 10 94	80	98⅞	99⅜	0	+0⅛	10.12
Norsk Hydro 9⅜ 94	90	94½	95	−0⅛	−0⅛	9.94
Norway 9⅝ 84	150	100¼	100¾	−0⅛	−0⅛	9.87
Norway 9½ 84	150	98¼	98¾	−0⅛	−0⅛	9.89
Nova Scotia Pwr. 9⅞ 89	50	97⅛	97⅝	0	+0⅛	10.13
Occidental Fin. 10⅛ 84	50	99½	100	0	−0⅛	10.20
Orient Leasing 9½ 86	25	95½	96	0	−0⅛	10.38
Pennwalt O/S F. 9⅝ 84	25	98¼	98¾	0	+0⅛	10.14
Pepsico Cap. 9⅝ 84	100	98¼	98¾	+0⅛	+0⅛	9.64
Portland 10 84	50	97⅛	97⅝	−0⅛	+0⅛	10.65
Quebec Hydro 10 99	75	95⅜	95⅞	0	+0⅛	10.49
Redland Fin. XW 8½ 91	25	90½	91½	0	0	10.91
Sears Roebuck 9 82	150	98	98½	0	+0⅛	9.77
Statoil 9⅝ 89	50	97⅛	97⅝	−0⅛	0	10.05
Stockholm 9⅝ 94	60	99	99½	−0⅛	−0⅛	10.09
Sweden 9⅝ 89	100	98⅜	98⅞	+0⅛	0	9.86
Sweden 9½ 86	200	99	99½	−0⅛	+0⅛	9.88
Unilever NV 9⅝ 87	100	96⅜	96⅞	0	+0⅛	9.88
Warner-Lambert 9 84	100	97	97½	0	+0⅛	9.72

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 7½ 89	150	95⅞	96⅜	+0⅛	0	8.08
Banco Desarrollo 7⅛ 88	100	94¾	95¼	0	−0⅛	8.25
Barclays O'seas 6⅝ 89	100	98⅞	99⅜	+0⅛	+1⅛	6.85
Brazil 7⅝ 87	150	97⅛	97⅞	0	+0⅛	7.89
Brazil 8 87	150	101⅛	101⅞	+0⅛	0	7.74
CECA 7 91	150	98½	99	0	+0⅛	7.15
Copenhagen City 6 90	75	91	91½	0	−0½	7.16
Council of Eur. 7⅛ 89	100	99¼	100	0	−0⅛	7.30
Denmark 5⅞ 85	100	94½	95¼	0	−0⅛	6.90
Denmark 6½ 89	100	94¾	95¼	0	0	7.24
EIB 6½ 91	200	94⅞	95⅜	+0⅛	+0⅛	7.13
EIB 7½ 89	200	101⅞	102⅜	+0⅛	0	7.24
Eletrobras-Brazil 7 87	100	97	97½	0	−0⅛	7.48
Eurofima 6½ 89	100	98¼	99	−0⅛	−0⅛	6.69
Finland 6 83	150	99⅞	100⅜	+0⅛	+0⅛	6.08
Mitsubishi Chem. 6½ 84	70	100⅝	101⅛	−0⅛	−0⅛	6.24
New Zealand 6⅝ 87	200	98⅞	99⅜	−0⅛	−0⅛	6.37
Nippon Kokan 6½ 84	100	98⅞	99⅜	0	−0⅛	6.58
Nippon Tel. & T. 5½ 87	100	93⅜	93⅞	+0⅛	0	6.60
Nordic Inv. Bk 6⅜ 86	60	96⅛	96⅞	+0⅛	−0⅛	6.94
Norges Komm. 7⅜ 81	150	104¼	104¾	0	0	7.19
Norway 6⅞ 84	200	100⅞	101⅜	+0⅛	−0½	5.39
Occidental 6⅞ 90	150	94¼	94¾	−0⅛	0	7.48
OKB 6½ 86	100	97⅛	97⅝	+0⅛	0	6.83
OKB 6 87	40	†94⅛	95⅛	+1	+0⅛	6.82
Tokyo Elec. Pwr. 6½ 85	200	98½	99	−0⅛	−0⅛	6.78
Venezuela 6½ 90	150	90	90½	0	+0⅛	7.83
World Bank 6¾ 88	400	93⅛	94⅛	−0⅛	0	7.15
World Bank 7⅝ 91	400	102⅛	102⅝	+0⅛	−0⅛	7.44

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 5½ 89	80	*91⅞	92⅜	+0⅛	−4⅛	6.62
Asian Dev. Bank 3½ 94	100	†85	85½	+0⅛	0	4.95
Aumar 5 89	60	†102	102½	+0⅛	+0⅛	4.71
Austria 3½ 93	100	†90	90½	0	−0⅛	4.43
Australia 3⅝ 89	250	†95¼	95¾	+0⅛	+0⅛	4.13
Bergen, City of 4⅝ 91	40	†102	102½	−0⅛	+0⅛	4.50
BNDE 5 89	75	†95¼	95¾	—	—	5.60
Brazil 4⅝ 88	100	†95¼	95¾	+0⅛	+0⅛	4.86
Canada 3⅝ 89	300	†96½	97	+0⅛	+0⅛	4.04
Council of Eur. 4⅛ 90	100	*101⅛	101⅝	−0⅛	+0⅛	4.08
EIB 4½ 91	100	†100	100½	+0⅛	−0⅛	4.47
Heron 4⅝ 89	35	†95½	96	+0⅛	−0⅛	4.81
ICI Fin. NV 3½ 94	230	†89½	90	+0⅛	0	4.47
Malaysia 4⅝ 90	80	†96½	97	+0⅛	−0⅛	5.14
New Zealand 3½ 94	120	†89⅛	90⅛	+0⅛	−0⅛	4.45
Nordic Bank 5 89	45	103⅛	103⅝	+0⅛	+1⅛	4.55
OKB 3⅝ 91	100	†91	91½	0	+0⅛	4.75
Pfand Ost. Lande 4 90	60	†95	95½	+0⅛	+0⅛	4.57
Philippines 4⅞ 89	50	†96½	97	0	+0½	5.18
Sandvik 4 90	85	†96½	97	+0⅛	+0½	4.37
Spain 4 91	100	†94	94½	−0⅛	0	4.65
Steweag 4⅝ 91	80	†102½	103	+0⅛	+0⅛	4.45
Voest-Alpine 4⅝ 89	90	†103⅛	103⅝	+0⅛	+1⅛	4.30
World Bank 4⅝ 89	100	†103	103½	+0⅛	+0⅛	4.22

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bank 5⅝ 88	15	86¼	87	−0⅛	0	7.87
Australia 5.6 83	30	94⅜	95⅜	−0⅛	−0⅛	7.04
Australia 6½ 88	20	90⅞	91⅜	0	+0⅛	8.01
Finland 5.6 83	10	93	94	−0⅛	−0⅛	7.59
Finland 6.8 88	10	90⅞	91⅜	+0⅛	−0⅛	8.32

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Nordic I. Bk. 9 84 SDR	20	96½	97¼	0	+0⅛	9.85
Avco Fin. 10⅛ 86 C$	25	95⅛	96⅛	−0⅛	0	11.13
Ex. Dev. Cpn. 10 84 C$	50	96⅛	96⅝	−0⅛	−0⅛	10.99
Fst. Can. Inv. 10 84 C$	60	97	97½	0	0	10.76
Hudson Bay 10½ 89 C$	50	99⅛	99⅝	+0⅛	+0⅛	10.59
Quebec 10⅛ 86 C$	50	96⅛	96⅞	0	−0⅛	10.99
R. Bk. Canada 10 86 C$	40	99⅛	99⅝	−0⅛	−0⅛	10.10
R. Bk. Canada 10 94 C$	40	94½	95⅛	−0⅛	−0⅛	10.67
Copenhagen 8⅝ 91 EUA	25	†98	99	0	0	8.48
Komm. Inst. 7¾ 93 EUA	15	†93⅛	95	0	−0⅛	8.20
SDR France 8⅝ 84 EUA	24	†98⅛	98⅞	+0⅛	+0⅛	8.80
SOFTE 8⅝ 89 EUA	40	†96	96½	0	−0⅛	8.81
Algemene Bk. 8⅝ 83 Fl	75	92½	92⅞	−0⅛	+0⅛	8.88
CFE Mexico 7⅝ 83 Fl	75	96¼	97	−0⅛	+0⅛	8.79
EIB 7⅝ 85 Fl	75	93	93½	−0⅛	+0⅛	8.88
Ned. Middbk. 8⅝ 84 Fl	75	100⅝	101⅛	+0⅛	+0⅛	8.03
New Zealand 8⅝ 84 Fl	75	93¼	94⅛	+0⅛	+1⅛	8.35
Norway 8⅝ 84 Fl	100	99⅛	100⅛	0	+1⅛	8.23
Elf Aquitaine 9⅝ 88 FFr	150	91	92	+0⅛	0	11.28
Euratom 9⅝ 87 FFr	150	92	93	+0⅛	+0⅛	11.22
Norway 9⅝ 84 FFr	200	92¾	94⅛	0	−0⅛	11.04
PSA Peugeot 9⅝ 87 FFr	175	91½	92½	+0½	+0⅛	11.42
Renault 9⅝ 86 FFr	100	93⅛	94⅛	+0⅛	+0⅛	11.24
Saint-Gobain 9⅝ 86 FFr	130	91½	92½	+0⅛	+0⅛	11.50
Solvay et Cie 9⅝ 87 FFr	125	91½	92½	+0⅛	+0⅛	11.37
Total Oil 9⅝ 87 FFr	150	89½	90½	+0⅛	0	11.39
Citicorp 10 93 £	20	90⅞	91⅜	0	−1⅛	11.27
EIB 9⅝ 88 £	25	90¼	91¼	0	+0⅛	11.46
EIB 11⅛ 91 £	25	95⅛	96	+0⅛	+1	12.20
Finance for Ind. 13 91 £	15	102⅞	103⅜	+0⅛	+0⅛	12.45
Fin. for Ind. 12½ 89 £	20	100	100½	0	+0⅛	12.44
Gen. Elec. Co. 12⅛ 89 £	50	101⅛	101⅝	+0⅛	+0⅛	12.22
Indonesia 8⅝ 91 KD	7	†97⅛	98⅛	0	−0⅛	9.01
Mitsubishi 7⅝ 84 KD	10	†97⅛	98⅛	0	0	8.03
Norges Kom. 7⅝ 89 KD	12	†95⅛	97⅛	0	0	7.99
Occidental 8⅝ 91 KD	7	†96⅛	98⅛	0	−0⅛	8.75
Euratom 8 87 LuxFr	500	†95	96	−1⅛	−1⅛	8.82
Norges Kom. 8 86 LuxFr	500	†95½	96½	−0⅛	−0⅛	8.75
Oslo, City of 8 88 LuxFr	500	†95½	97⅛	0	−0⅛	8.62
Solvay Fin. 8 86 LuxFr	500	96⅛	97⅛	+0⅛	+0⅛	8.86

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
BFG Fin. Co. 5½ 89	0⅛	98½	99	11/1	11⅛	11.14
BNDE 6 89	0⅛	96⅞	97⅜	21/9	11⅛	11.48
Banco di Roma Int. 6 87	0⅛	98½	99	26/10	11.19	11.33
Bco. Nac. Argent. 7 86	0⅛	97⅛	97⅝	23/9	11⅛	11.78
Banco Prov. BA 7⅛ 86	0⅛	98⅛	98⅝	12/6	11	11.15
Banco Urquijo 6 86	0⅛	98	98½	21/9	11⅛	11.70
Bank of Tokyo 5⅝ 93	0⅛	99⅛	99⅝	18/10	11⅛	11.85
Bq. Ext. d'Alg. 7⅛ 85	0⅛	95⅛	96⅛	2/11	11⅛	12.42
Bque. Indo Suez 5⅝ 89	0⅛	98½	99	11/1	11	11.14
Banque Sudameris 6 87	0⅛	97⅛	97⅝	11/1	11⅛	11.42
BNP 5½ 91	0⅛	99⅛	99⅝	22/2	11⅛	11.49
Citicorp O/S Fin. 6 94	‡0⅛	99½	100	8/8	10.69	10.71
Creditanstalt 5½ 91	0⅛	98⅛	98⅝	14/9	10⅞	11.03
GZB 5½ 89	‡0⅛	98⅞	99⅜	1/11	11.44	11.57
Gotabanken 6 88	0⅛	98½	99	15/5	11⅛	11.83
Ind. Bk. Japan 5½ 86	0⅛	99⅛	99⅝	1/12	10.94	10.98
Jugobanka 8 89	0⅛	95⅛	96⅛	23/11	11⅛	12.35
LTCB Japan 5⅝ 85	0⅛	99⅝	100⅛	9/10	11⅛	11.65
LTCB Japan 5½ 89	0⅛	99	99½	7/12	11⅛	11.21
Mfrs. Han. O/S 5⅝ 94	‡0⅛	99	99½	23/8	11.19	11.27
Nacional Fin. 6⅛ 86	0⅛	98½	99	25/1	11⅛	11.69
Nat. West. 5⅝ 94	0⅛	98⅞	99⅜	11/10	11	11.17
Nippon Credit Bk. 5⅝ 85	0⅛	99½	100	22/12	10.94	10.98
Nippon Credit Bk. 6⅛ 85	0⅛	98	98½	12/1	10⅞	11.07
Petro Mexicano 7 84	0⅛	99⅛	99⅝	24/1	11.44	11.49
Privredna Banka 8 86	0⅛	95⅛	96⅛	20/12	11.58	12.06
Royal Bank Scot. 5⅝ 94	‡0⅛	98⅛	99⅛	11/10	11	11.13
Sogenal 5⅝ 89	0⅛	98	98½	11/1	10.94	11.13
Texas Int. Airways 7 86	‡0⅛	96½	97	11/10	11.56	11.95
TVO Pwr. 9 91 (D-lock)	0⅛	97⅛	98⅛	24/11	11⅛	11.35
Utd. Overseas Bk. 6 89	‡0⅛	97⅛	98⅛	29/9	11.14	11.38
Bq. E. d'Alg. 4⅝ 89 SE	0⅛	†97⅛	97⅝	18/12	4⅝	4.36

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
AGA Akt'bolag 7⅝ 89	10/79	174	95⅛	96⅛	+0⅛	−7.52
Ciba-Geigy O/S F. 4 94	9/79	675	†95⅛	96⅛	−0⅛	2.66
Credit Suisse 4⅝ 93	10/78	1325	107⅛	107⅞	+0⅛	3.99
Esselte 7⅝ 89	8/79	159	98⅛	99⅛	+8⅛	−8.92
Honda Motor 5½ 89	6/79	532	103⅛	104⅛	+3	5.20
LPC International 8 89	9/79	35	99⅞	100⅝	+0⅛	17.94
Nitto Elec. Ind. 6 94	7/79	735	86⅝	87⅛	+2⅛	1.49
Union Bk. Switz. 5 89	2/80	1250	106⅛	106⅞	—	−32.17
Fujitsu 5 84 DM	7/79	475	102⅛	103⅛	+1	17.61
Kansai Elec. 4 84 DM	4/79	1350	88⅛	89⅛	+0⅛	51.47
Marudai Food 3⅝ DM	2/79	1033	82⅛	83⅛	−0⅛	45.97
Nippon Yen. 3½ 86 DM	1/79	251	108⅞	110⅛	−4⅛	−5.29
Nissan Diesl. 3⅝ 86 DM	2/79	477	85⅛	86⅛	+0⅛	23.73
Olymp. Opt. 3⅝ 86 DM	2/79	703	96⅛	97⅛	+1⅛	4.09
Sharp Cpn. 3⅝ 86 DM	2/79	487	†89⅛	89⅛	+0⅛	10.87
Tokyo Elec. 3⅝ 87 DM	4/79	476	93⅛	94⅛	+1⅛	50.82
Tokyu Ld. Cp. 4 86 DM	4/79	493	83⅛	84⅛	0	28.28

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

TRADE DEVELOPMENT BANK

Mr. Safra decides to shed a veil

BY JOHN EVANS

ONE OF THE MOST detailed insights yet given into the Trade Development Bank Group, whose major units are the two international banks, Trade Development Bank in Switzerland and Republic National Bank of New York, is currently being made available to international investors.

The group has been described as the largest banking concern—it is classed among the top 150 banking companies in the world ranked by equity capital—in which a controlling interest is still held by a private individual.

Control rests with its founder, Mr. Edmond Safra, through Trade Development Banking Holding SA, a Luxembourg-based holding company for Trade Development Bank Geneva, the largest foreign bank in Switzerland, and Republic New York Corporation, the parent vehicle for Republic National Bank. *Mr. Safra owns* 10.7m shares of the Luxembourg parent—65.2 per cent of its outstanding stock.

The group retains a reputation for secrecy, perhaps reflecting its modern origins in Switzerland, where banks still preserve a high degree of privacy, as well as the personal style of Mr. Safra himself.

However, hitherto undisclosed information on much of its financial activities, as well as its *policies, is being released in* connection with a $40m Eurocurrency floating rate note issue currently being raised by Trade Development Financial Services NV, a Netherlands Antilles group subsidiary. The proceeds are earmarked for general corporate purposes.

The prospectus itself contains more information than is usual with floating rate note offerings. Group officials privately confirm that one of the aims of publishing such a comprehensive document was to "present ourselves more fully to a wider financial community."

The $40m issue itself was moderately well received in the bond markets, and reportedly was about 20 per cent oversubscribed. *Credit Suisse First* Boston lead-managed the flotation.

The prospectus acknowledges the role that Mr. Safra has played in establishing the Group. The Safra family's banking origins go back to the Ottoman Empire, and now *extend to Banco Safra, a banking* group in Brazil. The Trade Development Group has no interest in this Brazilian entity.

Mr. Safra established a finance company, Sudafin Societe Financiere, in Geneva in 1956. In 1960, it was chartered as a bank and changed its name to Trade Development Bank.

Republic National Bank was formed in 1965 as a part of Mr. Safra's policy of extending group interests in major financial centres. Three years ago, RNB and Trade Development Bank became sister companies controlled by the common holding company in Luxembourg.

The prospectus shows that in figures for the earning assets *of the Trade Development* banks, Britain represents the largest single "country risk" exposure: 10.2 per cent of the earning assets portfolio of more than $2bn is held in the form of UK risk.

This is the first time that a detailed analysis of the full loan "book" has been published, although Republic National Bank has published figures for its own activities.

The Group has developed particular specialisations in the financial markets, and its trademark nowadays tends to be activities in the a forfait markets (discounting exporters' receivables against government or prime bank guarantees), bill discounting and syndication of *credits, particular to governments*. It is also a well-known specialist in gold and bullion markets and in wholesale banknote trading.

On the other side of the balance-sheet, the prospectus declares that objectives "are the maintenance of a strong and diversified deposit base, a high ratio of capital to deposit liabilities, a diversified portfolio of assets in conjunction with a conservative reserve policy and a high degree of liquidity."

In its early years, deposits with Trade Development were made largely as a result of the personal and banking relationships established by the Safra family. As the Group has grown, the deposit base has expanded internationally. The prospectus says that there are now over 150,000 individual deposits with Group banks.

About 83 per cent of the total deposits of Trade Development banks of $1.96bn are represented by customer placements—estimated to be the highest ratio for any bank of this type.

The prospectus reports that, by the end of last year, Group capital and loan funds employed amounted to $490m or 10.6 per *cent of deposit liabilities.* "While comparative figures for banks outside the U.S. are not readily available, Trade Development Bank Holding believes *that this ratio would* rank the Group as more conservatively capitalised than the average for banks operating internationally," it says.

"In the United States, Republic National Bank had a ratio of total stockholders' equity to assets last year which placed the bank by this *criterion second of the largest* 100 U.S. banks."

The prospectus goes on to show that more than 90 per cent of the earning assets of the *TDB Banks is in sovereign risk*, bank obligations or bank-guaranteed categories. TDB management classifies these assets by geographic and economic category, rather than on an industry breakdown (see table).

Assets and Loan Portfolio of the TDB Banks

	$000	%
Highly Industrialised Countries	1,102,765	54.3
Centrally Planned Economies	153,372	7.5
Oil Exporting Countries (OPEC and Mexico)	287,883	14.1
Countries with income per capita $2,500-$2,999	80,731	4.0
Countries with income per capita $1,136-$2,499	291,835	14.4
Countries with income per capita $ 551-$1,135	58,764	2.9
Countries with income per capita $ 281-$ 550	48,264	2.4
Countries with income per capita under $280	7,851	0.4
	2,031,425	100.0

In a rare disclosure for a European-based bank, the Group also says that, at end-1978 non-performing assets of the TDB banks totalled about $5m or less than one-quarter per cent of earnings assets.

The prospectus deals closely with the Group's role in the à forfait markets, where it is considered to be both a key investor and market-maker. By the end of last year, 20.7 per cent of the TDB banks' earning *assets consisted of financial* paper, including à forfait risk, and substantially all of this was sovereign risk or bank-guaranteed.

Fee income, commissions, and long-term project financing, which play a large part in the operations of other international banks, are relatively unimportant sources of revenue for the TDB group.

But some analysts have suggested that this Group emphasis on *trade financing* may put it in a relatively vulnerable position. Any slowdown in the volume of world trade would reduce corresponding activity in the financial markets, they explain. In fact, there was a slowdown in Group earnings growth in the mid-1970s, at a time of the international recession created by OPEC oil price increases. A similar economic slowdown is also threatening at the moment.

Total profit after tax for the Group amounted to $20.8m in 1974, to $21.5m in 1975 and $23.1m in 1976, before resuming strong growth to stand at $33.7m *last year*.

However, this static earnings picture is also linked by analysts to costs involving in building up Republic National Bank as well as a conservative statement of assets in those years.

Market raid on main Ansett contender

By James Forth in Sydney

THE SHAREMARKET battle for control of Ansett Transport Industries took a dramatic turn yesterday when the main contender, Ampol Petroleum, found itself the subject of a market raid.

The Melbourne sharebroking firm, Potter Partners, which is company broker to Ansett, announced early in afternoon trading that it held an order to buy up to 20m Ampol shares at *80 cents* each, equal to 13.5 per cent of Ampol's capital.

Potter has already been active in the Ansett contest, buying shares in the airline, hotel and television group on behalf of interests "friendly" to Ansett. There have been market reports that such friends include one of Ansett's superannuation funds.

Although none of the parties directly involved would comment yesterday it is widely believed that Ansett and its backers were involved.

Until yesterday's development Ampol appeared to have the upper hand. The company started buying Ansett shares *last week, on and off the market*, and quickly built up a holding of between 17 and 20 per cent. Ampol met competition from the Western Australian company, Bell Group, controlled by Perth businessman Mr. Robert Holmes Court, and Ansett backers. By the end of *the week* Bell Group held 12.5 per cent of Ansett and the Ansett backers another 10 per cent.

But it appeared that Ampol had carried the day because it was expected to co-operate with the other major Ansett holder, Thomas Nationwide Transport with 15 per cent, to jointly exercise control. TNT's exact role in the saga is complicated by the fact that its three top executives are all currently overseas on extended trips, and cannot be contacted for comment.

While the Potter buying order for Ampol confused the Ansett situation, the initial response was subdued. Only 750,000 shares, or 0.5 per cent of Ampol's capital, were purchased by Potter. The 80 cents offer price compares with Friday's market close of 70 cents, and observers suggest a higher price would need to be offered to flush out sellers in quantity.

The bid price values Ampol at A$118m (US$134m), almost identical with the current *market value of Ansett*. Meanwhile, Ampol continued buying Ansett shares yesterday, picking up the bulk of the 484,000 traded in Melbourne and Sydney, and adding slightly to its percentage holding in Ansett. The price closed steady at A$1.60.

Interest bill hits Safmarine profit

BY JIM JONES IN JOHANNESBURG

SOUTH AFRICA'S national shipping line South African Marine Corporation's recent heavy expenditure on container *vessels has yet to be reflected* in earnings at the pre-tax level.

In the year to June 30, 1979, group revenue from shipping operations advanced by 42.8 per cent from R219.2m to R313m (US$375m), resulting in an operating profit of R49.1m ($58.8m) compared with R33.6m. However, the group's heavy borrowings to finance the changeover to containerisation resulted in interest payments *increasing from R9.9m to* R29.96m and pre-tax profit dropped from R25.8m to R23m. Though the group's fleet of five container ships is now operational, container services to European ports have yet to reach a satisfactory profit level. However, the services are contributing to recovery of their material interest burden.

In July, the company announced that it was quitting *the bulk oil transport market* with the sale of its 217,000-ton tanker Kulu to Greek interests. At the same time, it was announced that bulk shipping, especially of coal, is to be greatly expanded.

In recent months Safmarine, in which British and Commonwealth Shipping has a 36 per cent shareholding, has come in for criticism from Johannesburg analysts on the grounds of its heavy debt structure. However, Mr. Marmion Marsh, the managing director, is confident that the group does not need any major injections of permanent capital.

Earnings per share advanced from 54 cents to 60 cents and an unchanged 17 cents dividend has been declared.

Highveld profit jump

BY OUR JOHANNESBURG CORRESPONDENT

HIGHVELD STEEL and Vanadium, the South African producer of steel and vanadium products has reported a 55.2 per cent improvement in turnover from R173m to R268.4m ($321.4m) for the year to June 30, 1979, and a jump in pre-tax *profit to R43.4m ($52m) from* R28m in 1978.

However, just what proportion of the improvement is attributable to acquisitions is not specified in the preliminary announcement. In October last year, Highveld acquired Rand Carbide, its major supplier of silica *and silicon products. The new* subsidiary contributed some 13 per cent of earnings in the six months to December 31, 1978.

In addition, Highveld's steel making operations have gained from this year's increases in domestic controlled steel prices, and demand for vanadium pentoxide is recovering steadily.

With a higher overall tax rate, Highveld has reported earnings per share of 40.3 cents against *31 cents and declared dividends* totalling 20 cents compared with 16 cents. In Johannesburg Highveld's shares are currently trading at 260 cents on a 7.7 per cent yield.

● Sharply higher profits are reported for the first six months of 1979 by Rennies Consolidated Holdings. Pre-tax profits are R6.9m compared with R4.02m. Revenue for the half year was R87.5m against R76.8m.

Profit growth in the second half is not expected to be as rapid as it has been in the first half, but a substantial improvement is expected overall. Earnings of not less than 40 cents are forecast and it is anticipated that a final of 13 cents will be paid. The interim payment is raised from 4 cents to 7 cents.

French group buys stake in Spanish brewery

By David White in Paris

BSN-GERVAIS DANONE, the French food, glass and packaging group, is on the *point of* gaining an important foothold in the Spanish drinks sector by buying a one-third shareholding in a local brewery, Mahou.

The group, whose Kronenbourg subsidiary ranks as the biggest French brewer, said negotiations were in an advanced stage with the family interests which at present control Mahou, number three in the Spanish beer market.

Although it would initially hold a minority stake, the French group said it planned to develop its association with Mahou and use it as a base *for breaking into the Spanish* market on a much larger scale than hitherto.

Import restrictions have held Kronenbourg sales in Spain down to about 2,000 hl a year.

Mahou has an annual production of over 2m hl. This compares with BSN-Gervais Danone's 1978 output of 12.1m hl from Kronenbourg and its other brewing subsidiary, Societe Europeenne de Brasseries.

The group's beer sales increased last year to FFr 2.3bn ($540m). Its brands accounted for over 70 per cent of French beer exports, which go mainly to Switzerland and West Germany. The Spanish move follows acquisition of a stake in a Belgian brewer, Alken, aimed at *strengthening BSN-Gervais-*Danone's local market.

These initiatives, taken at a time when the French beer market is flagging, fit in with Government-backed efforts to build up the group's food export role.

The group is due shortly to sign a so-called development pact with the economy and agricultural ministries. The pact, on a model usually reserved for smaller companies, will set targets for investment and exports in exchange for improved financial incentives.

About half the group's FFr 16bn turnover last year *came from food and drink.*

German bank margins squeezed

BY ROGER BOYES IN BONN

THE RESULTS for the first six months of this year from Commerzbank and Dresdner Bank underline the pressures on banking margins in West Germany.

Both banks, which together with Deutchse Bank make up the big three among the German commercial banks, report expanding business but at the same *time complain about* the sluggishness of profits.

Business volume at Commerzbank rose by 18.1 per cent to DM 62.3bn compared with the six month average for 1978, and net interest and dividend income increased by 6.6 per cent to DM 577.6m. Net commission *income fell slightly by 3.3 per* cent due to lower earnings in the issue and stock exchange business.

Meanwhile, further pressure on margins came from the rise in operating expenses and personnel expenditure. The remaining balance on the bank's *current operations for the first* half was therefore only DM 184m. This is more than *the corresponding 1978 first half* figure of DM 168.7m but nonetheless slightly short of the six month average of DM 188.3m.

Despite the reduced operating result — which takes into account both the smaller gains from securities dealings and the sustained profits from foreign exchange business—net interest and dividend income continued to cover general operating expenses. The bank warns though *that the 1979 result could be* impaired by year-end write-downs of certain securities holdings.

Dresdner Bank's operating *profit for the six months* fell slightly compared with the six-month average for the previous year. No specific details were provided but in a letter to shareholders the bank said credit volume during this period rose DM 2.3bn to DM 51.6bn, with lively demand from private customers contributing more than DM 11bn of the total. Claims on credit *institutions fell DM 0.5bn to* DM 17.5bn, while liabilities to banks rose DM 1.5bn to DM 19.8bn.

The letter predicted that the West German economy would continue to be strong in the second half of 1979 despite higher oil prices and the pres*sures they exert on consumer* spending. Declaring support for the policy of stability promoted by the Bundesbank, Dresdner also stresses the need for official credit policies to take into consideration the "risks involved for growth in the economy."

● Net surplus on interest earnings at Bayerische Hypotheken- und Wechsel - Bank were DM 393.9m in the first six months of 1979 compared with DM 382.5m. Surplus on commission was DM 56.9m, against DM 52.2m. Group balance-sheet total at the end of June was DM 68.52bn.

Reduced first half profit at Privatbanken

By Hilary Barnes in Copenhagen

PRIVATBANKEN reports a fall *in first-half earnings before* depreciation, allocations, tax and adjustment for security values. Earnings were down from DKr 170m in 1978 to DKr 122m ($23.3m).

The bank said the decline was mainly due to a fall of DKr 53m in interest and dividend income. This was explained by a switch from long-dated to short-dated papers, which gave a lower interest return but a bigger capital gain. However, the bank's earnings for the whole year will be unchanged from 1978.

Offer for Sime subsidiary

BY OUR FINANCIAL STAFF

TIN MINER and investor Lingui Developments Berhad will change parents and become a palm oil estate owner if a proposed 10.86m ringgit (US$5.05m) takeover bid from Fantak Realty Snd Berhad is successful.

The Sime Darby group, which owns 66.8 per cent of Lingui's capital has conditionally agreed to sell 19 per cent (1.14m *shares) to Fantak. If the bidder* gets consent of the authorities and at least 50 per cent acceptances then Sime Darby will accept the general offer for the balance of the holding.

Elsewhere in Malaysia the Shell Company has completed the sale of 30 per cent of its subsidiary, Tiram Kimia Sdn. Berhad.

Tiram Kimia, was incorporated in October last year with a capital of 10m ringgits (U.S.$4.7m), and took over the distribution and sale of chemicals and Shell consumer products in both east and west Malaysia.

Shell announced that the Pilgrims Fund Board had taken up another 10 per cent in Tiram Kimia while Aman Nominees, a subsidiary of the Malay Komplex Kewangan had bought 10 per cent, bringing Bumiputra (Malay) Holdings to 30 per cent.

FAR EASTERN RESULTS

Jurong Cement lifts earnings

BY GEORGIE LEE IN SINGAPORE

JURONG CEMENT, which made its debut on the Singapore stock market only last month, *has* reported a 15.9 per cent increase in group profits for the year to March. The figure of S$2.26m (US$1.1m) slightly exceeded a forecast made of *the prospectus by S$0.02m.*

There was no tax charge as the group has sufficient capital allowances unabsorbed by previous years' profits. No dividend is to be paid for the year but the company expects to declare a gross dividend of 7.5 per cent for the year to March 31, 1980.

* * *

BEN AND CO, the food manufacturing and transportation subsidiary of the Straits Steamship Company, has reported a *group pre-tax loss of S$419,000* (US$195,000) for the six months to June 30.

The company said that although still unsatisfactory, the results were an improvement over the first half year of 1978 which saw pre-tax losses amounting to S$708,000.

Operating profit rose almost seven fold *from S$86,000 to* S$579,000 despite an 11 per cent decline in sales to S$25.2m.

The decrease in group sales was due mainly to the elimination of its unprofitable Malaysian operations last year.

* * *

ANOTHER STRAITS Steamship associate, William Jacks and Co (Malaya) Berhad, reported that after tax, profit for the six months ended June, 1979, jumped seven and a half times from S$ 86,000 to S$ 642,000 (U.S.$ 299,000) in the first half of 1979.

Group sales of S$65m were marginally higher than those achieved in the corresponding period last year. The company which is active in the building materials industry, expects to maintain the improved level

Thomson-Brandt sales increase

PARIS—First-half consolidated turnover of the Thomson-Brandt electronic group rose to FFr 13.3bn ($3.1bn) from FFr 10.4bn. This year's figures include sales by Nordmende AG and Société des Téléphones Ste-Ericsson. On a comparable structure with a year ago, the rise in sales was 14.9 per cent, the company said.

By sector, turnover included major electrical goods FFr 6.95bn (against FFr 5.31bn), consumer durables FFr 3.4bn (FFr 2.65bn), medical activities FFr 1.08bn (FFr 932.6m), and household electrical goods FFr 1.07bn (FFr 915.1m).

Agencies

Dow rises 8.2 more—almost at year's high

INVESTMENT DOLLAR PREMIUM
$2.60 to £1—31¼% (28%)
Effective $2.2360 12¾% (10¾%)

A FURTHER widespread advance took place on Wall Street yesterday in a heavy turnover.

The Dow Jones Industrial *Average climbed 8.20 more to* 875.26, only 3½ points below the 1979 high of 878.72, reached on April 10. The NYSE All Common Index closed 54 cents stronger at $61.18, *a new peak for the* year, while advances outscored declines by 1,060 to 479. Trading volume further increased to 41.98m shares from last Friday's 36.74m.

Analysts said investors were encouraged by the market's strength last week in the face *of* bleak economic news, which included a 1.1 per cent rise in wholesale prices and further growth in the basic money stock.

The money supply expansion was expected to bring a credit tightening response from the Federal Reserve after the Federal Open Market Committee meeting today, but there were hints of a possible firming effort to interest rates yesterday.

Among Blue Chips, **Minnesota Mining** put on ⅞ to $57, **Dow Chemical** 1¼ to $30⅞, **Alcoa** ¾ to $52⅞, **General Dynamics** 1¼ to $40 *and* **United Technologies** ⅞ to $42⅝.

Exxon gained 1⅛ to $54. The company warned that it would scrap plans to acquire **Reliance Electric**, unchanged at $60, if a Federal Court temporarily blocked its purchase of Reliance shares at $72 apiece.

RCA slipped ⅞ to $24⅞, but **CIT Financial** rose 1⅞ to $44⅞. The two companies have resumed merger talks.

Superior Oil announced plans for a five-for-one stock split and raised the dividend. Prior to the *announcement*, trading in the stock was halted at $434, off 1½.

Tiger International slipped 1¼ to $25⅜, but **Telecom**, which said Tiger has offered $21.50 apiece *for each Telecom share, jumped* 2⅞ to $17¼ on the American exchange.

THE AMERICAN SE Market Value Index moved ahead 1.13 to a record 203.54 on sizeable volume of 4.49m shares (4.32m).

Canada

Most sectors made further progress in busy trading, with the Toronto Composite Index adding 7.1 at 1,582.1. Metals and Minerals rose 19.4 to 1,342.6 and Oils and Gas 5.6 to 2,676.8, but Golds declined 8.7 to 1,813.0.

Among companies which reported higher earnings, **Thomson Newspapers "A"** hardened ¼ to C$14⅛ and **Hugh Russel** ⅛ to *C$14*. **Canadian Pacific**, *active* on 96,620 shares, gained ⅜ to C$34⅜. **Wardair International**, which had lower results, slipped 5 cents to C$3.85.

Tokyo

Stock prices were mixed with a *firmer* bias after light trading.

Although the Nikkei-Dow Jones Average shed 5.84 to 6,394.63, the Tokyo SE index gained 1.52 to 449.75, while rises *on the First Market section out*paced declining issues by 39 to 228. Volume came to 190m shares, compared with last Friday's 240m and Saturday's half-day session total of 160m.

There was selective buying interest in Light Electricals, Pharmaceuticals and Vehicles, but recently well favoured Resources-related issues and Paper-Pulps mainly lost ground on profit-taking, while Shippings also retreated.

Pioneer Electronic rose Y70 to Y1,940, **Sony** Y20 to Y1,980 **Honda Motor** Y12 to Y601, **Takeda Chemical** Y8 to Y485 and **Green Cross** Y40 to Y1,890.

Showa Oil and **Teikoku Oil** improved but other Petroleums declined, along with Collieries such as **Mitsui Mining**.

Germany

An easier tendency developed yesterday in considerably quieter trading, with dealers noting a lack of fresh buying orders. The Commerzbank index slipped back *2.0 to 756.8*.

Utilities, Steels and Chemicals fared best during the day, although they were only steady to mixed. Bourse sources said that recent recommendations by several market information services were helping Chemicals, where **BASF** gained DM 1.40, **Hoechst** DM 1.20 and **Bayer** DM 1.10.

Stores were generally steady, but an exception was **Horten**, which receded DM 3.50.

Electricals were broadly lower, although **AEG** put on 60 pfennigs more amid continuing rumours of a capital reassessment.

Among major Machine Manufacturers, **Linde** improved DM 1.50, but **GHH** lost DM 2 and **MAN** DM 3.

Among Motors, **Daimler-Benz** declined DM 2.70 and **BMW** DM 2.50. **Deutsche Bank** shed DM 1.40.

Amsterdam

Market was in firmer fettle, with **Royal Dutch** and **Philips** Fl 3.50 and Fl 0.50 higher *respectively ahead of their first*-half results, due later this week.

Banks were strong following higher six-month results announced by **ABN**, up Fl 5, and **Amro**, up Fl 1.50. **NMB** rose Fl 6.50 ahead of its first-half results, due shortly. Elsewhere, **RSV** advanced Fl 4.10 on improved results for the first seven months.

Hong Kong

Sluggish morning trading gave way to active afternoon buying interest, much of it centred on Properties, and the market resumed its recent uptrend to leave the Hang Seng index 4.80 higher at a new peak for the year of 625.78.

Hong Kong Land advanced 15 cents to HK$10.10, while its 1986 Warrants were in heavy demand, rising 25 cents to HK$6.10. Other Properties to move ahead included **Sun Hung Kai** *Properties, up* 10 *cents* at HK$11.60, and **Swire Properties**, which added 20 cents at HK$4.025, but **Cheung Kong**, against the trend, declined 10 cents to HK$14.20.

Among the leaders, **Jardines** added 10 cents at HK$12.20, **Swire Pacific "A"** 35 cents at HK$8.80 and **Wheelock "A"** 5 cents at HK$3.65.

China Provident were suspended pending an announcement, expected today.

Paris

Oil shares added to gains recorded last week, while other sectors were mixed with a steady undertone attributed to generally higher first-half turnovers at present being reported by companies. Business was reasonably active despite the large number of operators currently on holiday.

CFP, which reported higher turnover, rose FFr 8 to FFr 197, while **Elf Aquitaine**, **Esso** and **CFR** also advanced in Oils.

Australia

Markets were predominantly firmer again, with the Sydney All Ordinaries index rising 3.72 more to a new seven-year high of 612.92.

Johannesburg

Gold shares tended to edge further ahead on higher Bullion prices, while Diamond leader **De Beers** attracted London demand and rose 15 cents to R8.60.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
◆ DM 50 denom. unless otherwise stated, yields based on net dividends plus tax.
♥ Pta 500 denom. unless otherwise stated.
♣ DKr 100 denom. unless otherwise stated.
● SwFr 500 denom. and Bearer shares unless otherwise stated. ¶ Y50 denom. unless otherwise stated. $ Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. % h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. Δ Interim since increased.

Indices

NEW YORK—DOW JONES

	Aug. 13	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	1979 High	1979 Low	Since Compil'n High	Since Compil'n Low
◆ Industr'ls	875.26	867.06	858.28	883.14	859.81	846.55	878.72 (10/4)	807.00 (27/2)	1051.70 (11/73)	41.22 (2/7/32)
H'me B'nds	85.74	85.85	85.87	85.88	85.80	85.86	85.88 (2/8)	82.82 (8/5)	—	—
Transport	266.11	264.46	262.22	262.86	259.80	256.46	266.11 (13/8)	205.78 (27/2)	279.88 (7/2/69)	12.23 (8/7/32)
Utilities	108.49	108.15	108.28	108.65	108.59	108.36	108.80 (31/7)	98.51 (15/5)	163.32 (20/4/69)	10.58 (28/4/42)
Trading Vol 000's	41,980	36,740	34,990	45,240	45,570	27,290	—	—	—	—

◆ Day's high 878.58 low 867.15

	Aug. 10	Aug. 3	July 27	Year ago (approx)
Ind. div. yield %	5.64	5.73	5.75	5.26

STANDARD AND POORS

	Aug. 13	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	1979 High	1979 Low	Since Cmpil'tn High	Since Cmpil'tn Low
‡Indust'ls	—	117.75	116.71	117.25	116.96	116.55	117.25 (8/8)	107.08 (27/2)	154.64 (11/1/73)	3.52 (30/6/32)
‡Composite	—	106.40	105.49	105.66	105.65	104.30	105.98 (8/8)	96.13 (27/2)	125.85 (11/1/73)	4.40 (1/6/32)

	Aug. 8	Aug. 1	July 25	Year ago (approx)
Ind. div. yield %	5.13	5.22	5.34	4.70
Ind. P/E Ratio	8.21	8.07	7.99	9.97
Long Gov. Bond Yield	8.85	8.91	8.91	8.32

N.Y.S.E. ALL COMMON

Aug. 13	Aug. 10	Aug. 9	Aug. 8	1979 High	1979 Low
61.18	60.64	60.14	60.56	61.18 (13/8)	53.88 (27/2)

Rises and Falls

	Aug. 13	Aug. 10	Aug. 9
Issues Traded	1,901	1,867	1,878
Rises	1,060	978	626
Falls	479	469	798
Unchanged	362	420	452
New Highs	174	105	72
New Lows	4	5	5

BASE LENDING RATES

A.B.N. Bank	14 %
Allied Irish Bank Ltd.	14 %
Amro Bank	14 %
American Express Bk.	14 %
Henry Ansbacher	14 %
A P Bank Ltd.	14 %
Associates Cap. Corp.	14 %
Banco de Bilbao	14 %
Bank of Credit & Cmce.	14 %
Bank of Cyprus	14 %
Bank of N.S.W.	14 %
Banque Belge Ltd.	14 %
Banque du Rhone et de la Tamise S.A.	14½%
Barclays Bank	14 %
Bremar Holdings Ltd.	15 %
Brit. Bank of Mid East	14 %
■ Brown Shipley	14 %
Canada Perm't Trust	14 %
Cayzer Ltd.	14 %
Cedar Holdings	14 %
■ Charterhouse Japhet	14 %
Choulartons	14 %
C. E. Coates	14 %
Consolidated Credits	14 %
Co-operative Bank	*14 %
Corinthian Secs.	14 %
Credit Lyonnais	14 %
The Cyprus Popular Bk.	14 %
Duncan Lawrie	14 %
Eagil Trust	14 %
English Transcont.	14 %
First Nat. Fin. Corp.	15½%
First Nat. Secs. Ltd.	15½%
■ Antony Gibbs	14 %
Greyhound Guaranty	14 %
Grindlays Bank	‡14 %
■ Guinness Mahon	14 %
■ Hambros Bank	14 %
■ Hill Samuel	§14 %
C. Hoare & Co.	†14 %
Julian S. Hodge	15 %
Hongkong & Shanghai	14 %
Industrial Bk. of Scot.	14½%
Keyser Ullmann	14 %
Knowsley & Co. Ltd.	15½%
Lloyds Bank	14 %
London Mercantile	14 %
Edward Manson & Co.	15 %
Midland Bank	14 %
■ Samuel Montagu	14 %
■ Morgan Grenfell	14 %
National Westminster	14 %
Norwich General Trust	14 %
P. S. Refson & Co.	14 %
Rossminster	14 %
Ryl. Bk. Canada (Ldn.)	14 %
Schlesinger Limited	14 %
E. S. Schwab	15 %
Security Trust Co. Ltd.	15 %
Shenley Trust	16 %
Standard Chartered	14 %
Trade Dev. Bank	14 %
Trustee Savings Bank	14 %
Twentieth Century Bk.	15 %
United Bank of Kuwait	14 %
Whiteaway Laidlaw	14½%
Williams & Glyn's	14 %
Yorkshire Bank	14 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 11½%, 1-month deposits 11¾%.
† 7-day deposits on sums of £10,000 and under 11½%, up to £25,000 12% and over £25,000 12¼%.
‡ Call deposits over £1,000 11½%.
§ Demand deposits 11½%.

EUROPEAN OPTIONS EXCHANGE

TOTAL VOLUME IN CONTRACTS 3165

C=Call P=Put

Financial Rand U.S.$ 0.84½ (Discount of 29½%)

Big French wine crop expected

By Our Commodities Staff

FRANCE is expecting a bumper wine harvest of 70m hectolitres this year, almost 8 per cent above average and 21 per cent more than last year.

Although quality cannot be assessed until after the grapes have been picked, there appears to have been a modest increase in the yields from vineyards growing appellation controlée wines and a sharp rise in output from producers of ordinary table wines.

These are the types which have caused the European Community so much embarrassment in the past over wine "lakes."

The Ministry of Agriculture in Paris, working on estimates from growers' co-operatives, estimates appellation contrôlée output at 15.4m hl compared with 12.5m hl last year.

Production in Bordeaux and Burgundy is said to be below average.

"Other wines" will total 43.8m hl compared with 35.9m last season.

Record output was achieved in 1973 when 82.4m hl were pressed.

Optimism over Nicaraguan export crops

MANAGUA — Nicaragua's major agricultural export crops, cotton, coffee and sugar cane, survived the country's recent two-month civil war surprisingly well.

Sr. Alejandro Mertinez Cuenca, the director of the Institute of Foreign and Domestic Commerce, said only cotton lost a major portion of production—due to late plantings. But Nicaragua still expected to produce 200,000 bales of cotton, about a 60 per cent drop from average.

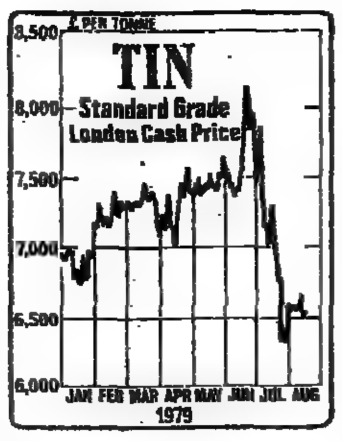
Sr. Cuenca heads the institute which will become the buyer for major export crops and handle their sale on international markets. The government nationalised the agriculture export business last week, plus meat, fish and grain crops.

Nicaragua earned nearly $500m from exports in 1978. Coffee was the major revenue source. This year's coffee crop would probably exceed 1978's production level by about 100,000 100 lb bags, he said. The total harvest would reach about 1.2m bags and about 1m bags would be exported.

AP

Producers may ask OPEC to buy stockpile tin

KUALA LUMPUR—Tin producing countries may approach OPEC, and request they buy any surplus tin released by the U.S. stockpile, Mr. Paul Leong, Malaysian Primary Industries Minister announced here.



In a statement, Mr. Leong said the producer countries themselves could buy tin from any stockpile release as a hedge against currency instability and inflation. They could also use tin ingots as part of their monetary reserves.

Mr. Leong called on some of the consuming countries to review their tough, uncompromising and unreasonable attitude.

He said demand from a few major consumers had prompted calls for an OPEC-style organisation of tin producing countries.

Our Commodities Staff writes: *Mr. Leong's statement reflects* the dissatisfaction among producing countries with the recent increase in the International Tin Agreement "floor" and "ceiling" price range.

It is also feared that the long-delayed moves in the U.S. to authorise releases of surplus tin from the strategic stockpile may hit the tin market just at the wrong time, when prices are already in a declining trend.

There are 203,000 tonnes of tin in the stockpile at the moment, of which 170,000 tonnes has been deemed to be surplus to strategic requirements. However, Congress is still considering proposals to authorise the release of over 30,000 tonnes, including 5,000 tonnes as the U.S. contribution to the International Tin Council buffer stocks.

Over the weekend the Straits tin price fell to $M1,800 a picul (133.30 lbs) on the Panang market, bringing it $M70 below the Tin Agreement of $M1,950, but still well above the "floor" of $M1,500.

However, on the London market yesterday, values closed slightly higher on U.S. buying interest in the afternoon.

This was despite a rise in London Metal Exchange warehouse stocks, which rose by 115 to 4,925 tonnes—the seventh consecutive weekly increase in stocks.

Lead was hit by an unexpectedly large rise in stocks, up by 825 to 24,125 tonnes. As anticipated, copper stocks fell *again by 1,850 to 170,100 tonnes.* Zinc stocks declined by 200 to 57,250 tonnes and aluminium by 1,915 to 18,025 tonnes.

Nickel stocks rose by 32 tonnes to 5,472 tonnes, but LME silver holdings fell by 1,070,000 to 16,840,000 ounces.

Doubts on EEC hide export curbs

BY CHRISTOPHER PARKES

THE RELUCTANCE of the U.S. authorities to impose controls on exports of hides is dampening hopes that the European Commission will respond to pleas for similar action to protect tanners in Europe.

A meeting is planned between EEC processors and officials *from the Commission's industry* directorate early next month. "But I can't imagine the Commission being prepared to take action if the U.S. doesn't," a UK industry expert said yesterday.

The U.S. Senate recently rejected an amendment aimed at limiting U.S. exports and Congress went into recess without voting. Observers say, however, that given the power of the cattlemen's and meat packers' lobby, the move has only a 50 per cent chance of approval.

Even if Congress did give its blessing at the vote, planned for September 12, nothing could be done without further consultation with the Senate.

European and U.S. leather processors have been pressing *for months for action to protect* them from price rises caused by overseas buyers. The foreign buyers have been out-bidding domestic tanners at the hide sales, processing the skins abroad with cheap labour, and then returning to under-cut U.S. and EEC processors with cheap leather and leather products.

For the moment, the pressure appears to be off European hide supplies during the holiday season, but there are fears of a fresh surge in demand and prices next month when industry gets back into gear.

Prices have steadied although the trend is still upwards, the British Leather Federation said.

So far this year, 70 per cent of U.S. hide supplies have been exported and many small-scale processors are reported to have closed.

A campaign launched earlier this year led to 150,000 letters *of protest being mailed to* Capitol Hill, while the mighty Cattlemen's Association has been counter-attacking with its own postal lobby.

The farmers claim that export *controls on hides* would further reduce the already slender margins on beef production.

Backing them up, a U.S. Department of Agriculture study group recently concluded that action to liberalise trade rather than to impose export controls or raise import tariffs would in the long run provide most benefit for consumers and producers.

Export controls on hides from India and Latin America have recently increased demand for skins in Europe and the U.S.

Aluminium stocks fall

PRIMARY ALUMINIUM stocks *held by members of the International* Primary Aluminium Institute fell to 1,532,000 tonnes in June from 1,598,000 at the end of May and 2,268,000 a year earlier.

Total stocks of primary and secondary ingot, metal in process, finished mill products and scrap also fell to 3,391,000 tonnes at the end of June from 3,488,000 in May and 4,232,000 *in June last year.*

Reuter

EEC plans cheap butter sale

THE COMMON Market Commission has set aside 157,000 ***tonnes of its "mountain" of*** **surplus butter for sale at reduced prices in six member states during the winter, Reuter reported.**

At the end of June, the Community held 533,000 tonnes of surplus butter under intervention control compared with 344,000 tonnes at the same time last year.

The cut-price scheme, which will run from September to January, is an extension of earlier "Christmas" butter sales used to clear out the stores.

While the sale of cheap butter will tend merely to replace normal purchases, and is not expected to boost sales either permanently or significantly, it is a more politically acceptable way of disposing of stocks than exporting to, say, the USSR.

Britain, Ireland and Denmark will not benefit from the disposal since they have opted for a year-round general consumer subsidy on all butter sold.

World cotton forecast raised

WASHINGTON — World cotton production is expected to increase to 65.6m bales (480 lb net) from 59.8m last season, according to the U.S. Agriculture Department.

The U.S. crop is seen at 13.7m bales, up from 10.9m last year, but estimates for the USSR, India, and Central America, have been cut. The USSR crop is seen at 12.8m bales compared with 12.6m last month and *12.3m last season; India's is put* at 5.9m (6m and 6.1m); and Central America's at 1.3m (2.3m and 4.3m).

Reuter

Russia buys Thai maize

BANGKOK—The Soviet Union has agreed to buy 50,000 tonnes *of Thai maize for August-October* delivery at $168 a tonne, trade sources said here yesterday.

The grain will be shipped to Vietnam with Vietnamese vessels *taking delivery of the cargo* in Bangkok.

Previously the Soviet Union had approached the board of trade to buy 100,000 to 120,000 tonnes from Thailand and a *reply from the Board is awaited.*

Reuter

W. GERMAN FISHING

Arthur, king of the Baltic kutter fleet

BY A SPECIAL CORRESPONDENT

IN WEST GERMAN fishing, as farming, the small businessman occupies a key position. So, while the deep-sea trawler operators make the running in establishing the country's position on the renegotiation of the EEC common fisheries policy, the Government is well aware smaller operators cannot be left out of its calculations.

The kutter fleet, as the Federal Republic's 650 small *inshore vessels are called,* is split between the North Sea and the Baltic — where "King Arthur" reigns supreme.

Herr Arthur Steingrader is head of a fishermen's co-*operative based at* the little port of Heiligenhafen, but his unofficial title acknowledges his position as king of the kutter men.

The big companies' claim that his member's boats are old, too small and inefficient, finds echoing murmurs of sympathy in the Bonn Ministries but the political importance of the small businessman has to be taken into consideration. This is particularly so in Bavaria, home of Agriculture and Fisheries Minister, Herr Josef Ertl, where both tradition and the small business, especially in farming, are highly regarded.

So it is hardly surprising that Herr Ertl and Herr Steingraber find much in common. Indeed, politicians of all parties are only too pleased to be seen in Arthur's court.

It is now part of North German legend how 400 East Prussian refugees, a few with fishing vessels, fled from behind the descending Iron Curtain in 1949 and huddled together in rickety old wooden army barracks to start a new life in Heiligenhafen.

They founded their co-operative with a capital of DM 14 and gave Herr Steingraber the job of running it. Now each of the fishermen owns his own home, and the co-operative owns much of the property in the town, runs its own ice plants, auctions and marketing organisation, has its own bank and brokerages and is currently investing DM 100m in a new holiday project.

They flourish, say their critics, on Government subsidies and EEC intervention prices.

But Herr Steingraber has forthright political demands. He claims the advent of 200-mile limits has robbed his members of 95 per cent of their traditional Baltic grounds.

Those that can, go through the Kiel Canal to fish in the North Sea, but most are too small and have to run the gauntlet of Polish, East German, Russian and Swedish gunboats in the restricted Baltic waters left to them.

Britain's demand for a 12-mile exclusive limit is impossible, he says, because the Danes would want one too. If they succeeded, the last remaining grounds around the Danish islands, now subject to a three-*mile limit, would sound* the death knell for his men.

He wants new deals with the Iron Curtain countries, giving them access to the North Sea and other waters around Britain, in return for 20,000 tonnes of Baltic cod to keep his fleet alive.

With most of the other EEC members squabbling over their share of the North Sea, that idea will not find much sympathy in Brussels. Nevertheless the shadow of "King Arthur" will hover over the negotiations that lie ahead.

U.S. grain forecast hits prices

BY A CORRESPONDENT

*CHICAGO—Grain and soya*bean futures fell sharply at the Chicago Board of Trade yesterday morning under the impact of the U.S. Department of Agriculture's "bearish" domestic *crop production report.*

On Friday, the USDA estimated 1979 U.S. maize production at 7.108bn bushels, soya production at 2.129bn bushels and all wheat production at 2.132bn *bushels.*

The figures are all above industry expectations and exceed the estimates of U.S. production released earlier in the week by crop forecaster *Conrad Leslie.*

Exceptionally heavy brokerage house selling swept the maize, soya and wheat pits yesterday morning. Independent speculators added to the pres*sure while grain merchandisers* bought lightly and blunted *some of the pressure.* Wheat and maize futures declined about 10 cents a bushel while soya futures fell about 20 cents.

Despite the sharp decline brokers noted a slightly steadier *tone in the market after an* hour of trading, when prices reached the lows of the session.

Favourable growing conditions across the maize and soyabean belts in the U.S. have *promoted speculative liquida*tion and falling prices for several weeks, reducing some of the impact of Friday's report.

Farmer response to the *USDA's production report has* been cautious so far. While significant selling of corn to regional elevators occurred over the weekend soyabean movement has been light. *Wheat movement has also been* very modest.

The USDA's estimate of 1979 USSR grain production—185m tonnes—was unchanged from a July 11 estimate and in line with trade expectations.

Some analysts here suggested *that favourable growing condi*tions across the mid-western maize and soyabean belt in August could enlarge the crops further.

The largest wheat figure may *promote political pressure on* the Carter administration to restore the wheat set aside it chose to shelve for the coming wheat season. But analysts generally agreed that the pres*sure would be resisted.*

Weather remains a crucial factor, shaping supply and therefore demand. The big estimates could open the way for another round of buying by *the Soviet Union and China of* maize and wheat.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Easier in subdued trading on the London Metal Exchange. Forward metal opened at £883 and fell back to £877 on the pre-market reflecting small profit-taking. Thereafter the price moved between £879 and £874 prior to closing the late kerb at £875.5 with the only feature of trading being a narrowing in the contango. Turnover, 20,050 tonnes.

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £878, 78.5, 79, three months £877, 76, 75, 76, 77, 78, 79. Cathodes, cash £853, three months £868, 67. Kerbs: Wirebars, three months £879, 77. Afternoon: Wirebars, three months £875, 5.5, 6, 5, 4, 3, 4. Cathodes, three months £857. Kerbs: Wirebars, three months £874, 76, 75.5.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	879-80	—5	872-4	—5.5
3 months	878-9	—5	873-4	—5.5
Settlem't	880	—3	—	......
Cathodes				
Cash	852-5	+1.5	842-5	—7.5
3 months	866-7	+.5	856-7	—9
Settlem't	855	+1	—	......
U.S. Smt.	—	......	*84-87	......

TIN—Marginally firmer as covering against U.S. physical demand saw forward metal rally to close the late kerb at £6,580 after it had fallen to £6,525 in the morning on hedge selling prompted by the weaker Penang market. Turnover, 780 tonnes.

Morning: Standard, cash £6,490, 95, 6,500, three months £6,530, 20, 30, 25, 35, 30. Afternoon: Standard, three months £6,560, 50, 60. Kerbs: Standard, three months £6,570, 90, 80.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	6495-500	—52.5	6520-40	+20
3 months	6535-50	—42.5	6570-90	+12.5
Settlem't	6500	—50	—	......
Standard				
Cash	6495-500	—52.5	6520-40	+20
3 months	6530-5	—40	6565-80	+20
Settlem't	6500	—50	—	......
Straits E.	$1880	—20	—	......
NewYork	—	......		

LEAD—Lost ground following a larger than forecast rise in stocks and the downturn in copper and gold. Forward metal opened at £552 and gradually declined to £533 where the market found support which left it at £[illegible] on the late kerb. Turnover, 8,925 tonnes.

Morning: Cash £559, three months £543, 44, 45, 44, 45, 44, 43, 42, 43. Kerb: three months £543, 41, 40, 37, 38, 39, 40, 37. Afternoon: three months £537, 36, 35. Kerb: three months £535, 36, 37, 36.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	559-.5	—15.5	550-2	—22
3 months	543-.5	—13.5	533-.5	—19.5
S'ment	559.5	—16.5	—	......
U.S. Spot	—	......	*58-62	......

ZINC—Lower in line with lead and copper. Forward metal opened at £316 and fell away to close the late kerb at £311. Turnover, 1,350 tonnes.

Morning: Three months £314, 14.5, 14, 12, 13. Kerb: Three months £312. Afternoon: Three months £311, 11.5. Kerb: Three months £312.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	301-2	—3	300.5-1.5	—4.75
3 months	312-3	—3	311.5-2	—5
S'ment	302	—3	—	......
Prim w'st	—	......	*39.6	......

ALUMINIUM—Firmer, although below the day's highest levels. Forward metal traded around £695 throughout the morning but lifted towards the close to touch £702 before ending at £699. Turnover, 3,625 tonnes.

Morning: Cash £702, 03, 04, three months £695, 95.5. Afternoon: Cash £708, three months £696, 97, 98, 99. Kerb: *Three months £700, 1, 3, 2, 1,* 700.

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	705-6	—6.5	706-10	+3
3 months	695-.5	—6.25	698-9	+4

NICKEL—Unchanged in dull and routine trading with forward metal finally £2,600 on the late kerb. Turnover, 492 tonnes.

Morning: Three months £2,950. Afternoon: Three months £2,600. Kerb: Three months £2,600.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	2500-20	—20	2525-30	+2.5
3 months	2580-95	—22.5	2600-10	

* Cents per pound. $ $M per picul. † On previous unofficial close.

SILVER

Silver was fixed 3.95p an ounce lower for spot delivery in the London bullion market yesterday at 403.35p. U.S. cent equivalents of the fixing levels were: spot 908.90c, down 4.20c; three-month 927.6c, down 6.3c; six-month 947.5c, down 4.9c; and 12-month 979.6c, down 6.2c. The metal opened at 404½-405½p (912-914c) and closed at 401½-402½p (897½-899½c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. close	+ or —
Spot	403.35p	—3.95	401.0p	—4.5
3 months	414.85p	—4.85	412.6p	—5.85
6 months	425.75p	—4.45	—	......
12 months	444.75p	—4.35	—	......

LME—Turnover 274 (317) lots of 10,000 ozs. Morning: Three months 415.5, 414.5. Kerbs: Three months 414, 415. Afternoon: Three months 412.5, 412.7. Kerbs: Three months 413, 412.7, 412.5.

COCOA

Cocoa futures were barely steady throughout a featureless day, with short covering paring earlier losses at the close of the day, reported Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
Sept.	1347-1349	—9.0	1348-30
Dec.	1416-1416	—1.0	1419-1391
March	1462-1464	+1.5	1464-37
May	1488-1490	—8.85	1489-64
July	1510-1520	—1.0	1505-1498
Sep.	1535-1550	+2.5	1526
Dec.	1560-1600	—17.5	1556

Sales: 1,582 (3,681) lots of 10 tonnes.

International Cocoa Organisation (U.S. cents per pound). Daily price, Aug. 10: 137.51 (137.56): Indicator price for Aug. 13: 15-day average 141.71 (142.38); 22-day average 143.45 (143.87).

COFFEE

London coffee futures opened around unchanged levels and during a featureless morning session prices traded in a narrow range in poor volume, reported Drexel Burnham Lambert. Lack of fresh fundamental news and a quiet New York opening contributed towards an uninspired performance in the afternoon, values finished £4 to £10 changed from Friday.

COFFEE	Yesterdays Close	+ or —	Business Done
	£ per tonne		
September	1709-10	+8.5	1713-07
November	1752-53	—5.5	1756-28
January	1727-30	+8.0	1730-20
March	1676-78	—0.5	1682-73
May	1665-70	+4.0	1674-68
July	1650-75	+10.0	—
Sept.	1650-70	+2.5	—

Sales: 1,211 (1,584) lots of 5 tonnes.

ICS indicator prices for August 10 (cents per pound). Other Mild Arabicas 193.33 (192.67). Robustas ICA 1976 177.25 (176.50). ICA 1968 177.50 (176.75). Colombian Mild Arabicas 210.0 (same). Unwashed Arabicas 191.0 (192.0). Comp. daily ICA 1968 190.06 (180.03).

GRAINS

Market conditions remained dull and after an opening of 5 points higher values moved up to 20 higher in featureless conditions and closed between unchanged *and 15 points higher* with more demand for barley than wheat, reported Acli.

	WHEAT		BARLEY	
Mnth	Yesterd'ys close	+ or —	Yesterdys close	+ or —
Sept.	92.00	+0.05	87.15	+0.15
Nov.	96.00	+0.05	91.25	+0.15
Jan.	100.30	+0.05	95.60	+0.10
Mar.	103.70		99.10	+0.05
May	107.30	+0.10	102.30	

Business done—Wheat: Sept. 92.05-92.05, Nov. 96.05-95.90, Jan. 100.40-100.25, Mar. 103.85-103.65, May 107.20-107.20. Sales 60 lots of 100 tonnes. Barley: Sept. 87.15-87.00, Nov. 91.30-91.10, Jan. 95.65-95.50, Mar. 99.15-99.10, May untraded. Sales 97.

IMPORTED—Wheat: CWRS No. 1, 13½ per cent, unquoted. U.S. Dark Northern Spring No. 2, 14 per cent, Aug. 92.25, Sept. 92.75, Oct. 94.50 *transhipment* East Coast. U.S. Hard Winter, 13½ per cent, Aug. 92.00 transhipment East Coast. EEC unquoted. Maize: U.S./French Aug. 108.75, Sept. 109.75 transhipment East Coast. South African White unquoted. South African Yellow Sept./Oct. 82.50 nominal. Barley: English feed fob Aug. 88.50, Oct./Dec. 93.50 East Coast. Sorghum: U.S./Argentine unquoted. Oats: Scandinavian feed unquoted.

HGCA — Location ex-farm spot prices. Feed Barley: Eastern 82.80 East Midlands 83.10. Other Milling Wheat: Eastern 91.00. The UK Monetary Coefficient for the week beginning August 20 is expected to increase to 1.003.

RUBBER

The London physical market opened easier with little interest throughout the day, closing slightly steadier. Lewis and Peat reported a Malaysian godown price of 286 (288) cents a kilo (buyer, September).

No. 1 R.S.S.	Yesterd'ys Close	Previous Close	Business Done
Sept.	58.50-58.25	58.50-60.15	58.50-58.40
Oct.	58.90-60.25	60.00-60.65	59.59
Oct-Dec	60.70-60.90	61.60-61.35	60.70-60.06
Jan-Mar	63.85-63.96	64.40-64.85	64.40-63.58
Apr-Jne	66.10-66.28	66.50-65.55	66.08-66.06
Jly-Sept	68.55-68.70	68.80-69.00	—
Oct-Dec	71.00-71.20	71.25-71.40	70.60
Jan-Mar	73.50-73.55	75.65-75.70	—
Apr-Jne	76.00-76.05	76.00-76.20	76.00-75.60

Sales: 144 (207) at 15 tonnes, 9 at 5 tonnes.

Physical closing prices (buyer) were: Spot 57.75p (58.25p); Sept. 63.25p (63.75p nom.); Oct. 63.65p (64.25p).

SOYABEAN MEAL

The London market opened with losses of £1 on soyabean crop, reported T. G. Roddick. It found reasonable support at opening levels but sold off sharply on spot loss selling at close.

	Yest'rd'y Close	+ or —	Business Done
	£ per tonne		
August	104.50-11.0	—0.25	—
October	110.90-10.7	—1.9	112.80-10.50
December	114.40-14.5	—2.25	116.60-14.20
February	117.10-17.5	—2.05	118.80-17.50
April	118.50-18.5	—1.75	—
June	119.00-19.0	—2.3	—
August	120.00-21.1	—0.55	—

Sales: 95 (90) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £99.0 (£100.0) a tonne cif for Aug.-Sept. shipments. White sugar daily price was £109.0 (£109.0).

In a quiet day's trading fluctuations were contained within a £0.75 range of prices at slightly lower levels than those ruling on Friday, reported C. Czarnikow.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
Oct.	106.25-06.35	106.65-06.30	107.25-06.00
Dec.	108.60-10.90	111.15-11.25	111.50-10.50
March	118.15-18.05	118.15-18.25	118.75-17.75
May	121.30-21.50	121.25-21.50	121.75-21.25
Aug.	126.85-26.05	126.10-26.25	126.50-26.10
Oct.	130.10-30.50	130.00-30.25	130.50-29.75

Sales: 1,566 (1,365) lots of 5 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £297.55 (same) a tonne for home trade and £168.50 (£169.50) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for August 10: Daily price 8.77 (8.82); 15-day average 8.42 (8.41).

WHITE SUGAR—Close (in order buyer, seller, business, sales). Sept. 102.75, 109.85, 109.75-108.00, 158; Nov. 111.75, 117.90, 112.00-111.50, 122; Feb. 115.65, 118.80, 19.50-118.50, 157; April 122.75, 122.50, 123.00, 6; July 126.25, 125.50, nil, nil; Sept. 129.50, 131.50, nil, nil; Nov. 132.50, 137.00, nil, nil. Sales, 444.

TEA AUCTION

LONDON — 50,242 packages were offered at yesterday's auction. North Indians were well competed for and often gained several pence, with dusts a strong feature. Best Africans were fully firm. Good mediums often advanced 2p to 6p. Plainer sorts tended dearer. Mozambiques came into a selective market and plainest descriptions were lower. Quotations for the week: Quality 138p per kilo (132p). Medium 109p (107p): Plain 65p (63p).

WOOL FUTURES

SYDNEY GREASY—Close (in order buyer, seller, business, sales). Micron contract: Oct. 411.0, 411.5, 411.0-410.0, 12; Dec. 419.0, 419.5, 420.0-417.0, 8; March 427.5, 428.5, 429.0-427.0, 37; May 429.0, 429.5, 429.5-428.0, 19; July 431.0, 432.0, 431.5-430.0, 12; Oct. 431.5, 432.5, 432.0-432.0, 3; Dec. 432.0, 433.0, 433.0-432.0, 9. Sales 90.

LONDON GREASY—Close (in order: buyer, seller only). Oct. 218.0, 33.00; Dec. 228.0, 38.0; March/May/July/Oct./Dec. 228.0, 38.0.

NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller only). Oct. 181.0, 83.0; Dec. 181.0, 83.0; March 180.0, 89.0; May/July/Oct./Dec. 180.0, 91.0.

BRADFORD—Business is fair. Last week currency pushed some buyers into the market but this week there is not the same incentive. Wool offers are nevertheless still fairly dear and the outlook for values when Australian sales resume next week is reasonably firm.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 18 tonnes. Few contracts of note were under consideration, with the call for supplies severely restrained. Only minor purchases were mentioned in Latin American and African varieties.

★

GRIMSBY FISH — Supply good, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £5.00-£6.08, codlings £2.60-£3.60; medium haddock £2.85-£4.00, small £1.55-£2.60; large plaice £4.30-£5.70, medium £4.30-£5.20, best small £3.80-£4.70; large skinned dogfish £10.00, medium £8.00; large lemon soles £7.00, medium £6.00; saithe £2.20-£2.60.

PRICE CHANGES

In tonnes unless otherwise stated.

	Aug. 13 1979	+ or —	Month ago
Metals			
Aluminium	£710/50	......	£710/50
Free Mkt (cs)	$1545/1565	......	$1,470/90
Copper			
Cash w'bar	£873	—5.5	£785
3 mths	£873.5	—5.5	£802.75
Cash Cathode	£842.5	—7.5	£761.5
3 mths	£856.5	—9	£783.5
Gold troy oz.	$297.625	—4.75	$292.875
Lead cash	£551	—22	£526
3 mths	£534	—19.5	£504.5
Nickel	£2854	......	£3,225.4
Freemkt(cif)(lb)	245/270c	—2.5	265/300c
Platin'm tr'y oz	£156.5	......	£165
Free mkt	£166.45	—3.9	£182.6
Quicksil'ver	$275/295	—20	$300/350
Silver troy oz	403.35p	—3.95	404.95p
3 months	414.85p	—4.85	417.20p
Tin Cash	£6,530	+20	£7,228
3 mths	£6,572.5	+20	£6,785
Tungsten	$143.12	......	$140.17
Wolfrm 22.04 cif	$136/143	......	$137/44
Zinc cash	£301	—4.75	£302.75
3 months	£311.75	—5	£314.5
Producers	$780	......	$845
Oils			
Coconut (Phil)	$1,080x	—5	$1,185
Groundnut	‡	......	‡
Linseed Crude	£395	......	£405
Palm Malayan	$647.50v	—2.5	$684
Seeds			
Copra Philip.	$690v	—5	$780
Soyabean (U.S.)	$308.5z	—1.15	$335.75
Grains			
Barley Futures	£91.25	+0.15	£91.70
Maize			
French No3AM	£108.75	+0.75	£107
Wheat			
No. 1 Red Spg.	£92.25	—1.75	£97.0
No2HardWint.	£92.0	—5.5	£98.75
Eng. Milling	‡	......	‡
Other commodities			
Cocoa ship't	£1,453	—8	£1,549
Future Dec.	£1,415.5	—1	£1,439
CoffeeFt'r Nov	£1,732.5	—3.5	£1,839.5
Cotton A.index	76.90c	......	76.75c
Rubber (kilo)	57.75p	—0.5	59.0p
Sugar (Raw)	£99.0	—1	£102.0
Wooltp's 64s kl	266p	......	267p

* Nominal. † New crop. ‡ Unquoted. s Aug.-Sept. t Sept. w Sept.-Oct. x Oct. y Oct.-Nov. z Indicator. § Buyer.

MEAT/VEGETABLES

MEAT COMMISSION — Average fatstock prices at representative markets on August 11 GB cattle 80.79p per kg L.W. (+1.21). UK sheep 142.5p per kg est.D.C.W. (—1.0). GB pigs 60.6p per kg L.W. (+2.5). England and Wales: Cattle No.s up 13.8 per cent, average price 80.26p (+1.31). Sheep No's up 7.6 per cent, average price 142.2p (—0.9). Pig No's down 5.5 per cent, average price 60.6p (+2.6). Scotland: Cattle No.s up 11.4 per cent, average price 82.76p (+0.92). Sheep No's up 5.2 per cent, average price 137.7p (+0.6). Pig No's up 2.0 per cent, average price 60.7p (+0.5).

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 62.0 to 67.0. Eire hindquarters 78.0 to 80.0, forequarters 42.0 to 44.0. Veal: Dutch hinds and ends 96.0 to 100.0. Lamb: English small 58.0 to 62.0, medium 58.0 to 60.0, heavy 50.0 to 58.0. Scotch medium 56.0 to 60.0, heavy 50.0 to 58.0. Imported frozen NZ PL 48.0 to 49.5, PM 48.0 to 48.5. Pork: English, under 100 lbs 35.0 to 43.0, 100-120 lbs 35.0 to 42.0, 120-160 lbs 34.0 to 40.0.

COVENT GARDEN—*Prices in sterling per package except where otherwise stated:* Imported Produce: Oranges—S. African: Valencias 4.00-4.70; Navels/Proteas 3.80-4.30; Brazilian: 3.00-3.20; Californian: 5.00-5.50. Lemons—Italian: 100/150's 5.50-6.00; Spania: Trays 30/40/45 2.80-3.00; Argentine: 88/100/113 7.50; S. African: 8.00; Jaffa: Trays 2.80-3.20. Grapefruit—S. African: 27/72 3.80-5.90. Apples—S. African: Granny Smith 3.00-5.90, Yorks 4.00-5.50, Golden Delicious 6.80-7.50; New Zealand: Red Dougherty 5.00-5.50, Granny Smith 8.00, Sturmers 4.50; Tasmanian: Sturmer Pippin 4.00-4.50, Crofton 4.60-5.60, Granny Smith 4.50; *Victorian:* Granny Smith 7.00; Spanish: Golden Delicious, new crop, boxes 40 lb 150/175 4.60-5.00; Italian: Rome Beauty 0.09; French: Golden Delicious, new crop, 20 lb 72/84's 2.50-2.60.

English Produce: Potatoes—New crop per bag 1.90-2.40. Lettuce—*Per* 12 round 0.90-1.20, Cos 1.30. Mushrooms—Per pound 0.50-0.60. Apples—Per pound *Bramley 0.05-0.10, Grenadiers* 0.05-0.06, George Cave 0.10-0.12. Tomatoes — Per tray 1.00-1.20. Cucumbers—Trays 8/18's 0.60-1.00. Cauliflowers—12's Lincoln 1.80-2.50. Celery—Boxes 12/30's 1.00, large cartons 20/24's 2.20-2.30. Pears—Per pound 0.12-0.14. Broad Beans—Per pound 0.05-0.06. Onions—Per bag 4.00. Carrots—Per bag 0.80-1.30. Beetroot—Per bag 1.20. *Marrows—Per 18's 0.80.* Capsicums—Per pound 0.20. Swedes/Turnips—Per 25/28 lb 1.00-1.20. Stick Beans—Per pound 0.35. Runner Beans — per pound 0.20-0.25.

AMERICAN MARKETS

NEW YORK, August 13.

THE U.S. Department of Agriculture crop report late Friday produced the expected results in the market today. Sharp declines in grains and the soya complex reflected record production levels for 1979. Cotton recovered from early losses to show good gains for the day on speculative buying. Precious metals were under major pressure all day on strength in the U.S. dollar and on rumours of further supporting moves by the Federal Reserve. In the livestock complex all cattle markets were up the limit while hog markets were mixed. The coffee market was mixed *on lack of trade news.* Cocoa was fractionally higher as a result of improving trade inquiry. Sugar was steady to fractionally lower on very light trading. Copper closed under pressure after an aborted short-covering rally, Heinold reported.

Copper—Aug. 86.60 (87.70), Sept. 86.70 (87.85), Oct. 86.95, Dec. 87.55, Jan. 87.70, March 88.05, May 88.20, July 88.35, Sept. 88.50, Dec. 88.65, Jan. 88.75, March 88.85, May 88.95, July nil.

Cocoa—Sept. 128.50 (127.00), Dec. 134.40 (133.35), March 130.40, May 141.00, July 143.50, Sept. 140.20, Dec. 133.11.

Coffee—"C" Contract: Sept. 201.00 (200.62), Dec. 188.60 (187.95), March 182.50, May 181.32, July 181.25, Sept. 180.75, Dec. 181.00. Sales: 990.

Cotton—Oct. 65.20 (64.10), Dec. 65.40-65.50 (64.30), March 66.50-66.60, May 67.95, July 68.76, Oct. 68.00-68.70, Dec. 68.25-68.75, Jan. nil.

Orange Juice—Sept. 105.95 (103.60), Nov. 103.90 (101.90), Jan. 103.40, March 104.05, May 104.40, July 105.20, Sept. 105.55, Nov. 105.85, Jan. 105.90.

Sugar—No. 11: Sept. 8.72 (8.81), Oct. 9.02 (9.08), Jan. 9.59, March 10.25, Oct. 10.55, July 10.87, Sept. 11.24, Oct. 11.43. Sales: 4,275.

*Gold—Aug. 296.80 (302.38), Sept. 298.00 (304.70), Oct. 300.00, Dec. 305.80, Feb. 310.90, April 315.80, June 320.70, Aug. 325.40, Oct. 330.00, Dec. 334.60, Feb. 339.20, April 343.80, June 348.30.

*Platinum—Aug. 367.00 (376.50), Sept. 367.50 (382.00), Oct. 367.50, Jan. 368.60, April 373.10, July 378.10, Oct. 383.00, Jan. 388.00. Sales, 2,245.

Potatoes *(round whites)*—Nov. 67.2 (67.0), March 88.5 (89.6), April 106.8, May 126.6. Sales 399.

§Silver—Aug. 891.8 (907.3), Sept. 897.0 (912.5), Oct. 904.5, Dec. 918.5, Jan. 925.1, March 938.3, May 951.1, July 963.8, Sept. 976.5, Dec. 995.4, Jan. 1,001.8, March 1,014.6, May 1,027.4.

Handy and Harman bullion spot 894.10 (912.00).

Tin—678.00-690.00 asked (678.00-690.00).

CHICAGO, August 13.

Lard—Chicago loose 24.50 (same). New York prime steam unavailable.

Live Cattle—Aug. 61.65 (60.15-61.65), Oct. 61.95 (60.45-61.95), Dec. 64.45, Jan. 65.55, Feb. 66.77, April 68.50, June 70.07, Aug. 69.40, Oct. 69.00, Dec. 69.30. Sales: 20,071.

Live Hogs—Aug. 36.45-36.50 (36.52-36.47), Oct. 34.45-34.35 (34.35-34.40), Dec. 35.75-35.40, Feb. 37.45-37.00, April 36.30-36.05, June 40.25, July 40.17-40.00, Aug. 38.90-38.70, Oct. 37.75-38.25. Sales: 8,348.

‡‡Maize—Sept. 272½-273 (279¾), Dec. 270¾-270½ (277½), March 280¼-280½, May 286-286¼, July 288½, Sept. 283.

Pork Bellies—Aug. 29.55-29.70 (28.00-29.50), Feb. 41.88-42.10 (41.07-41.95), March 42.40-42.60, May 43.00-43.85, July 44.00, Aug. 43.60. Sales: 8,313.

CHICAGO ...

Silver—Aug. 891.0-892.0 (907.3), Sept. 894.0 (911.4), Oct. 902.5, Dec. 919.0-918.0, Feb. 931.5, April 943.5, June 956.0, Aug. 968.5, Oct. 981.0, Dec. 994.0, Feb. 1007.0, April 1020.5, June 1034.0, Aug. 1048.0, Oct. 1062.0, Dec. 1076.0, Feb. 1090.5, April 1105.5, June 1120.5, Aug. 1135.5.

‡Soyabeans—Aug. 700-702 (713½), Sept. 697-698 (711¼), Nov. 690½-693, Jan. 705½-706, March 717½-718, May 727½, July 733, Aug. 731.

‖Soyabean Meal—Aug. 186.00-186.50 (191.50), Sept. 186.70-187.00 (191.80), Oct. 187.50-187.00, Dec. 190.40-190.00, Jan. 192.00-191.70, March 194.00-194.30, May 195.00-195.50, July 196.00-196.50, Aug. 197.50, Sept. 200.00.

Soyabean Oil—Aug. 27.60-27.65 (27.72), Sept. 26.75-26.80 (26.92), Oct. 25.90-25.99, Dec. 25.40-25.45, Jan. 25.40-25.46, March 25.45-25.50, May 25.55-25.60, July 25.60, Aug. 25.50-25.55, Sept. 25.40.

†Wheat—Sept. 411½-412 (416), Dec. 423-424 (426¼), March 430½-430, May 428½-429½, July 406, Sept. 410.

WINNIPEG, August 13. §Barley—Oct. 101.30 (101.00), Dec. 99.20 (99.20), March 98.00, May 97.90, July 97.70.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 226.0 (227.75).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. § Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq feet. ‡ Cents per dozen.

EUROPEAN MARKETS

ROTTERDAM, August 13.

Wheat—U.S. No. Two Dark Hard Winter wheat 13.5 per cent, Aug.-Sept. $193. U.S. *Hard Winter ordinary,* unquoted. U.S. No. Two Red Winter, Sept. $183, Oct. $189, Nov. $191. U.S. No. Two Northern Spring 14 per cent, Aug. $190, Sept. $190, Oct. $193, Nov. $195, Dec. $201.

Maize—U.S. No. Three Corn Yellow, Apl. $133, Aug. $136, Sept. $137.50, Oct./Dec. $140.25, Jan.-March $146.50, Apl./June $150.

Soyameal—44 per cent protein, U.S., Apl. $230, Aug. $230, Sept. $235, Oct. $241, Nov./March $245, Apl./Sept. $249. Brazil Pellets, Apl. $232, Aug. $224, Sept. $241, Oct. $251, Apl./Sept. $254.

PARIS, August 13.

Cocoa (FFr per 100 kilo)—Sept. 1275-1295, Dec. 1315-1324, March 1345-1365, May 1355-1360, July 1370, Sept. 1382-1385. Sales at call, 2.

Sugar (FFr per 100 kilo)—Oct. 1,055-1,050, Nov. 1,050-1,065, Dec. 1,100-1,105, March 1,151-1,155, May 1,175-1,185, July 1,190-1,195, Aug. 1,205-1,210, Oct. 1,215-1,225. Sales at call, 17.

INDICES

FINANCIAL TIMES

Aug. 13	Aug. 10	M'nth ago	Year ago
281.26	282.21	285.68	239.77

(Base: July 1, 1952=100)

MOODY'S

Aug. 13	Aug. 10	M'nth ago	Year ago
1056.5	1083.3	1085.9	953.7

(December 31, 1931=100)

DOW JONES

Dow Jones	Aug. 13	Aug. 10	Month ago	Year ago
Spot	395.30	392.23	407.66	363.48
F'tur's	402.15	400.90	419.26	355.55

(Average 1924-25-26=100)

REUTERS

Aug. 13	Aug. 10	M'nth ago	Year ago
1550.4	1557.7	1561.2	1441.2

(Base: September 18, 1931=100)

Equities begin Account brightly helped by Wall St. hopes but Gilts drift lower as investment interest falters

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
July 30	Aug. 9	Aug. 10	Aug. 20
Aug. 13	Aug. 23	Aug. 24	Sep. 3
Aug. 28	Sep. 6	Sep. 7	Sep. 17

* "New time" dealings may take place from 9.30 am two business days earlier.

Stock markets began the new trading Account in mixed fashion yesterday with equities resuming last week's upturn but with Gilt-edged securities drifting easier as interest faltered in the wake of Friday's surprise announcement of a new £1bn short tap issue. The sharp fall in July retail sales failed to rejuvenate demand in the latter sector which was showing signs of stock indigestion and a shortage of investment funds.

The CBI warning to the unions on pay made for a slightly hesitant start in the industrial sections, but a fairly brisk demand emerged for quality stocks and, with sellers reluctant, prices edged forward. Most of the advance occurred before noon and later improvements were largely confined to situation stocks and companies announcing trading results, but increasing hopes of a sustained Wall Street recovery underpinned the general firmness.

Stores as a whole were unaffected by last month's marked fall in retail sales and retained gains ranging to 4p. Similarly, Foods held selective rises, partly encouraged by a broker's recent circular, although the overall improvement here was relatively modest. Measuring the day's extremes in leading shares, the FT 30-share index was 0.4 off at the first calculation, but closed a net 5.8 up at the day's best of 475.8, its highest for nearly four weeks.

Early losses among British Funds were extended by a combination of light selling and a shortage of investment funds. Interest tended to centre on the shorts because of Friday's late announcement of a new tap stock in this area, but the volume of completed business was described as moderate. A rally got under way in the early afternoon but failed to hold and after the official close quotations were near to, or at, the day's lowest and showing falls ranging to ¼.

A late demand encouraged by the opening tone on Wall Street yesterday pushed rates for investment currency higher and the premium closed a further 3½ points up at 31½ per cent, or an effective level of 12½ per cent. Business earlier was more evenly balanced and resulted in only modest changes in the rate. Yesterday's SE conversion factor was 0.8877 (0.9037).

Only 265 contracts were completed in the Traded Options market compared with last Friday's 413 and last week's daily average of 347. ICI attracted a fair interest, recording 65 deals while 50 were done in Marks and Spencer.

Insurances firm

Quietly firm conditions prevailed in Composite Insurances. **Commercial Union** edged forward a penny to 148p in front of today's interim results, while **General Accident**, which report tomorrow, closed 4 to the good at 222p. Among Lloyd's brokers, **Stenhouse** stood out with a rise of 6 to 84p on buying ahead of the half-yearly figures due on August 23. Elsewhere, **Hambro Life** put on 5 to 121p.

Firm recently in sympathy with the gilt-edged market, Discounts continued to make progress in places, **Gerrard and National** adding 8 to 266p and **Alexanders** firming 5 to 243p. Continuing to reflect the sharp increase in interim profits and bullish forecast for the second half, **Goode Durrant and Murray** hardened a penny more to 24p.

Matthew Clark stood out in an otherwise lacklustre drinks *sector, rising 8 to 170p on* revived speculative buying. **Arthur Bell** also came in for some support and finished 4 better at 172p.

Early selective support resulted in several notable gains in the Building sector. **Blue Circle** firmed 4 to 280p and **Taylor Woodrow** 6 to 368p. **Marchwiel** were wanted, at 108p, up 8, as were **Wilson (Connolly)**, 6 better at 168p, and **A. Monk**, 9½ to the good at 57½p, the last-named in response to favourable weekend Press comment. **Vibroplant** advanced 15 to 230p in a thin market in response to the satisfactory annual results, while **Beauford Concrete** added 3 to 46p on dividend considerations, despite the lower interim profits. Timber issues commanded a fair amount of attention with **Parker**, 186p, and **Phoenix**, 140p, adding 6 and 10 respectively, while **Montague L. Meyer** improved 3 to 94p.

A couple of pence firmer for most of the session, ICI attracted late demand and closed a net 5 up at 342p. Elsewhere in Chemicals, speculative demand prompted gains of 4 and 9 respectively in **Allied Colloids**, 119p, and **Stewart Plastics**, 185p.

Peters Stores good

The Stores sector got the new Account off to a bright start as selective buying brought some useful improvements, especially among second-liners. Investment buying continued for **Harris Queensway** following Press comment and the close was 8 higher at 280p, while **Peters** responded to renewed speculative buying on bid hopes with a fresh gain of 4 to 82p. **MFI Furniture** put on 9 to 170p xd and **A. and J. Gelfer** rose 7 to 50p. **Dixons Photographic** advanced 6 to 150p and improvements of 4 were seen in **Comet Radiovision**, 158p, **Lee Cooper**, 187p, and **R. and J. Pullmann**, 111p, and **E. Upton "A,"** 42p. Late details of the July retail sales figures made little impression on the leaders which held on to early improvements of up to 4. **Burton "A"** ended that much dearer at 262p and **Gussies "A"** hardened 2 to 272p; the latter after Press comment. **F. W. Woolworth** edged forward 1½ to 78p ahead of tomorrow's first-half results.

Electricals closed with some useful gains after a reasonably brisk trade. Among the leaders, renewed investment demand left **GEC** 6 dearer at 396p, after 401p, while **Thorn** closed 7 to the good at 440p xd. Helped by news that one of its subsidiaries had been awarded two contracts for the supply of radio communications receivers to the U.S. air force and the Canadian armed forces, **Racal** featured at 470p, up 23. **Wholesale Fittings** responded afresh to the annual results with a rise of 12 more to 375p, while further support lifted **Unitech** 7 to 193p. **Sound Diffusion** gained 4 to 132p and rises of a similar amount were recorded in **Automated Security**, 178p, **Dreamland**, 51p, and **Electronic Rentals**, 198p. **Dowding and Mills** improved 3 to 39p in smaller-priced issues.

Occasional buying interest was shown in the Engineering leaders, particularly **John Brown** which more than recovered the dividend at 427p xd, up 22. **Hawker** firmed 7 to 202p xd and **GKN** 6 to 271p. Elsewhere, news that shareholders had voted in *favour of the U.S. acquisition* prompted a reaction of 9 to 57p, after 55p, in **Wellman Engineering**; the 65p cash bid from Redman Heenan was subject to the U.S. acquisition not going through. Assisted by option demand, **Manganese Bronze** became a good market at 44p, up 6. **Amalgamated Power** firmed 5 to 100p and similar rises were marked against **B. Elliott**, 219p, and **Victor Products**, 135p. **Benjamin Priest** were favoured at 69p, up 4, while **British Aluminium** hardened 3 to 203p ahead of tomorrow's interim results. In contrast, **Richards (Leicester)** encountered fresh selling and gave up 4 to a low for the year of 64p.

Foods attracted a useful business in the wake of a broker's circular. **Associated Dairies** improving 5 to 290p and **Kwik Save** adding 3 to 132p. **Hillards** put on 8 to 355p xd while **William Morrison** advanced 12 to 189p, the latter following Press comment highlighting bid possibilities. **Rowntree Mackintosh** firmed 4 to 198p and **Unigate** 3 to 99p xd, while speculative favourite **Spillers** hardened 1½ to 40p. **Barker and Dobson**, a dull market of late on the capital reduction proposals, rallied a penny to 18½p, but **Squirrel Horn**, reflecting the lower interim profits, shed that much to 35p.

Silentnight wanted

Easier at the outset, miscellaneous industrial leaders picked up on selective buying as the day progressed and closed with gains ranging to 6. **Beecham** ended that much better at 144p, while **Reckitt and Colman** put on 4 to 214p and **Pilkington** improved a similar amount to 305p xd. Ahead of tomorrow's interim report, **Unilever** edged forward 2 to 510p, while **Sears** hardened 1½ to 55½p in response to Press comment. Elsewhere, a couple of weekend Press tips attracted buyers to **Silentnight** which improved steadily to close 14 up at 72p, while **E. Fogarty** rose a like amount to 349p as buyers again anticipated early news of the scrip-issue proposals first outlined at the end of May. **Manchester Ship Canal** added 16 to 297p following the highly satisfactory interim results and **Lead Industries** moved up 4 in the late trade to 158p on news of the $50m deal with NL Industries Inc. of the U.S. Buying in front of today's interim results prompted a rise of 4½ to 78½p in **Smith and Nephew**, while gains of 14 and 15 respectively were seen in **Vinten**, 170p, and **ICL**, 460p. A resurgence of speculative buying on bid hopes helped **Office and Electronic** put on 9 to 165p, while **Gripperrods** revived with a rise of 5 at 142p. By way of contrast, **Wilson Walton** remained friendless at 15p, down 2, and **Radiant Metal** lost 4 to 42p on profit-taking.

Certain Leisure issues made progress. **Associated** firmed 2½ to 103½, while speculative counters **Management Agency and Music**, 146p, and **Pleasurama**, 155p, added 7 and 5 respectively.

Garage concerns to benefit from early interest included **Lex** which firmed 4 to 99p xd and **British Car Auction** which added 3 to 65p. **Dutton-Forshaw**, 45p, and **Wadham Stringer**, 36p, put on 3½ and 3 respectively, while **Harold Perry** added 5 to 137p.

Quietly firm conditions prevailed among leading Properties with **MEPC** hardening 2 to 198p and **Great Portland Estates** adding 4 to 338p. Standing 12 higher awaiting the annual results, **Bernard Sunley** slipped on the announcement and closed just 5 up on balance at 485p; the company is awaiting bid terms from Eagle Star. Elsewhere, **Fairview Estates** revived with a gain of 17 to 223p and **Law Land** firmed 3½ to 73p, while **London Shop Property** and **Brixton Estates** added 4 apiece to 95p and 136p respectively. Renewed interest was shown in **Daejan** which put on 5 to 144p, but **McKay Securities**, at 130p, gave back half of last Friday's gain of 6; the latter's annual results are due today.

Oils improve

Oils made fairly modest progress. **British Petroleum** edged up 5 to 1195p and **Royal Dutch** ½ to £33½, but **Shell**, however, moved against the trend, closing 5 cheaper at 326p following the special dividend payment of 27p which had the effect of dropping the FT-Actuaries Oil share index by 3.7 per cent to 633.06 and causing sharp gains in the sector's yields. Outside the leaders, **Ultramar** *firmed 8 to 312p* and **Oil Exploration** 4 to 358p, while fresh speculative support lifted **Siebens (UK)** 10 to 270p.

Selective demand was evident in the Shipping sector. **Furness Withy** were supported at 261p, up 9, along with **Ocean Transport** which improved 3 to 97½p while **P. and O. Deferred** edged up 2 to 104½.

Trusts trended higher, **Caledonian** improving a penny to 72p and the 'B' a similar amount to 68p following the results and proposed scrip issue.

Textiles were led into higher ground by **Courtaulds** which closed 4 to the good at 89p. **Harold Ingram** rose 5 to 47p in response to Press comment and **Tricoville** gained 4 to 80p following the chairman's encouraging statement.

Golds steady

The firmness of the investment currency premium helped sustain sterling prices of South African Golds but in dollar terms they tended to drift in subdued trading following the downturn in the bullion price. The latter was finally $4.75 lower at $297.625 an ounce.

The Gold Mines index eased 0.1 to 169.2 while the ex-premium index fell 2.8 to 150.2. South African Financials were buoyed by the premium. **Union Corporation** advanced 12 to 362p, **De Beers** 7 to 369p and **Anglo American Corporation** 3 to 353p. **General Mining** were prominent with a gain of 9 to 495p.

London-registered Financials all came in for support reflecting the recent strength of base-metal prices and the firmness of the UK equity market.

Rio Tinto-Zinc were the most active and put on 8 to 288p, while **Selection Trust** added 10 to 506p and **Gold Fields** 3 to 223p.

Platinums reacted to late profit-taking in front of Imapala's results which were not known during market hours. **Impala** were finally a penny cheaper on balance at 161p, after 165p, and **Rustenburg** closed unchanged at 124p, after 126p.

The steadiness of overnight Sydney and Melbourne markets and the higher investment premium prompted minor gains in Australians.

LONDON TRADED OPTIONS

Option	Ex'rc'se price	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	Equity close
BP	1150	77	2	—	—	—	—	1195p
BP	1200	62	1	102	—	125	—	"
BP	1300	18	15	55	—	82	—	"
Com. Union	140	13	—	19	—	24	5	147p
Cons. Gold	260	3	10	8	10	—	—	225p
Courtaulds	90	6	5	8	—	11	—	89p
GEC	360	49	10	78	—	85	—	396p
GEC	390	28	6	50	1	63	—	"
GEC	420	10	1	35	—	—	—	"
GEC	460	2½	4	18	—	—	—	"
Grand Met.	158	17	—	25	1	—	—	162p
ICI	300	47	8	51	—	54	—	342p
ICI	330	21	5	30	37	36	5	"
ICI	360	6	10	17	—	—	—	"
Land Secs.	280	35	10	46	—	58	—	305p
Land Secs.	330	5	6	20	—	30	—	"
Marks & Sp.	110	15	2	19	10	25	—	120p
Marks & Sp.	120	8	24	13	—	17	—	"
Marks & Sp.	130	3	6	6½	8	—	—	"
Shell	325	16	5	30	3	—	—	326p
Shell	350	9	4	18	—	—	—	"
Shell	400	2	—	6½	25	—	—	"
Shell	360	—	—	—	—	26	1	"
Totals			154		92		11	
		August		November		February		
EMI	100	2	4	9	—	14	—	97p
EMI	110	½	—	7	—	9	1	"
EMI	120	¼	—	5	—	6	1	"
RTZ	260	29	—	43	4	54	—	288p
RTZ	300	5	—	20	7	31	—	"
RTZ	360	½	2	[illegible]	—	—	—	"
Totals			6		11		2	

FINANCIAL TIMES STOCK INDICES

—	Aug. 13	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	A year ago
Government Secs.	73.52	73.74	73.96	73.58	73.11	72.70	71.09
Fixed Interest	74.52	74.48	†74.54	74.12	73.75	73.64	72.80
Industrial	475.8	470.0	467.4	473.7	466.6	459.6	513.5
Gold Mines	169.2	169.3	166.3	157.9	149.8	148.4	206.6
Gold Mines(Ex-$ pm)	150.2	153.0	151.7	145.7	139.3	137.6	132.3
Ord. Div. Yield	6.82	6.89	6.91	6.82	6.91	7.01	5.26
Earnings Yld. % (full)	17.21	17.38	17.52	17.31	17.52	17.77	15.88
P/E Ratio (net) (*)	7.31	7.23	7.17	7.25	7.16	7.06	8.37
Total bargains	16,125	18,550	18,222	18,563	15,944	13,477	—
Equity turnover £m	—	72.90	87.26	91.21	76.87	43.53	69.16
Equity bargains total	—	11,474	13,651	11,988	10,527	8,820	17,322

10 am 469.6. 11 am 471.9. Noon 474.0. 1 pm 474.2. 2 pm 474.6. 3 pm 474.7.

Latest Index 01-246 8026.

* Nil=7.03.

Basis 100 Govt. Secs. 15/1/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. Ex-$ premium index started June, 1972. SE Activity July-Dec. 1942. † Corrected.

HIGHS AND LOWS

—	1979 High	1979 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.91 (4/5)	64.64 (8/2)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.76 (5/5)	66.03 (13/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	558.6 (4/5)	446.1 (12/2)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	208.4 (6/8)	129.9 (17/4)	442.3 (22/5/75)	43.5 (26/10/71)
Gold Mines Ex $pm)	169.5 (6/6)	95.2 (2/11)	337.1 (3/4/74)	54.3 (25/6/75)

S.E. ACTIVITY

	Aug. 13	Aug. 10
—Daily		
Gilt Edged	154.6	160.2
Industrials	127.6	124.0
Speculative	27.8	22.2
Totals	90.0	87.7
5-d'y Av'r'ge		
Gilt Edged	165.6	164.2
Industrials	131.2	127.5
Speculative	25.4	25.8
Totals	91.6	88.4

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979 high	1979 low
GEC	25p	13	396	+ 6	456	311
BAT Inds.	25p	9	285xd	+ 3	362	255
Racal Electronics	25p	9	470	+23	495	337
Courtaulds	25p	8	89	+ 4	122	82
ICI	£1	8	342	+ 5	415	314
Shell Transport	25p	8	326xd	− 5	402	273
Silentnight	10p	8	72	+14	90	56
Marks & Spencer	25p	7	120	+ 1	134	83
Ultramar	25p	7	312	+ 8	320	197
GKN	£1	6	271	+ 6	308	228
Imperial Group	25p	6	96	+ 2	108	82
Lindustries	25p	6	141	+ 3	153	115
Monk (A.)	25p	6	57½	+ 9½	78	43
P. & O. Defd.	£1	6	104½	+ 2	105	71
RTZ	25p	6	288	+ 8	362	236

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Aug. 6	Aug. 17	Nov. 1	Nov. 12
Aug. 20	Aug. 31	Nov. 15	Nov. 26
Sep. 3	Sep. 14	Nov. 29	Dec. 17

For rate indications see end of Share Information Service

Money was given for the call of MFI, Baker Perkins, Manganese Bronze, Coalite and Chemical, British Land, KCA, Town and City, Attock Oil, Burmah Oil, Strong and Fisher, Britannia Arrow, J. Brockhouse, Movitex, Acrow "A," Hampton Trust and Lonrho. No puts were reported, but a double option was arranged in Burmah Oil.

NEW HIGHS AND LOWS FOR 1979

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979.

NEW HIGHS (34)

BUILDINGS (1)
Finlan (J.)

STORES (5)
Fairdale Textile; Peters Stores; Do. A; Time Products; Harris Queensway

ELECTRICALS (2)
Pye Hldgs.; Wholesale Fittings

ENGINEERING (1)
Green's Economiser

FOODS (4)
Assoc. Fisheries; Morrison (Wm.); Kwik Save; Stocks (J.)

INDUSTRIALS (9)
B.H. Prop.; Halma; Cawoods; Natl. Carbonising; Fogarty; N.C.R. 4pc '93-98; Granada A; Valor; Gripperrods

MOTORS (1)
Plaxton's

PROPERTY (7)
Allied London; Kent (M. P.); Hammerson A; Land Secs. 5¼pc Conv. 1983; Fairview Ests.; Gt. Portland Ests.; Lynton Hldgs.

SHOES (1)
Stead & Simpson A

TEXTILES (1)
Pickles A N-V

OILS (1)
Attock

MINES (1)
Oilmin

NEW LOWS (9)

FOREIGN BONDS (2)
Chinese 5pc 1912; Chinese 5pc '25 Bxr.

ENGINEERING (3)
Chemring; Triplex Foundries; Richards (Leicester)

INDUSTRIALS (2)
English & Overseas; Solicitors' Law

PAPER (1)
East Lancs. Paper

TRUSTS (1)
Smith Bros.

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	5	70	12
Corpns. Dom. and Foreign Bonds	20	4	41
Industrials	518	108	767
Financial and Prop.	240	19	248
Oils	17	5	17
Plantations	7	—	21
Mines	53	25	68
Others	93	5	51
Totals	953	236	1,245

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p	+ or −	Div. or Amount	Times Covered	Gross Yield	P.E. Ratio
¶¶	F.P.	24/8	75	60	Arrow Chemicals	71	......	b2.0	2.8	4.0	15.4
¶¶	F.P.	—	88½	83	Barlow Hldgs.	86	+2	T2.6	1.1	4.3	28.9
80½	F.P.	27/7	105½	95½	Fairline Boats	102	......	b3.5	3.6	4.9	7.3
160	F.P.	5/9	190	185	Mercantile House	190	+5	10.72	2.5	8.1	7.6
**	F.P.	10/8	37	28	Mettoy Dfd.	35	+5	—	—	—	—
¶¶	F.P.	—	36	30	St. George Assets 10p	35	......	bd1.0	1.5	4.1	22.7
160	F.P.	8/8	198	196	StandardTel.&Cables	198	+2	b8.0	2.1	5.8	11.9

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price £	+ or −
¶91	F.P.	21/9	87	86½	Aurora 8¼ Conv. Cum. Pref.	87	......
100	F.P.	20/7	101¼	92	English & Overseas Inv. Conv.	93	+1
¶95½	£10	29/11	12¼	8¾	Essex Water 8% Red Pref. 1984	12¼	+½
¶¶	F.P.	—	73½	75	Lonrho 9% 2nd Mort. Deb. 87/92	73½	......
¶¶	F.P.	—	90½	89½	Do. 12¼% 2nd Mort. Deb. 85-90	90½	......
¶¶	F.P.	—	98½	97	Do. 12⅞% 2nd Mort. Deb. 80-85	98½	......
97	Nil	—	98¾	97¾	Scot. Agricultural Sec. 13% Deb. 97-99	98½	......
100p	—	7/9	102	100	Stonehill 10½% Cum. Prf.	102	+2
¶98	F.P.	24/8	101¼	100½	Sund. & S. Shields Water 8% 1986	101¼	+¼
¶98	£10	18/10	13½	10½	Wrexham Water 8% 1984	13½	+½

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date ●	Latest Renunc. Date ■	1979 High	1979 Low	Stock	Closing price p	+ or −
14	Nil	23/8	21/9	5pm	4pm	Abwood Machine Tools	5pm	+1
25	Nil	24/8	14/9	45pm	40pm	Bank & Commercial	40pm	......
A$2	F.P.	—	—	157	139	Bank of New South Wales	157	......
30	F.P.	3/8	24/8	41	39	Control Securities	39	......
25	Nil	15/8	17/8	26pm	13pm	Goodkind (W.)	18pm	−1
60	F.P.	3/8	7/9	82	77	Goldberg (A)	82	......
50	F.P.	6/8	31/8	121	100	Hanson Trust	116	......
47	F.P.	30/7	28/8	50	47½	Hargreaves	50	+1
115	Nil	20/8	21/9	15pm	9pm	Hay's Wharf	16pm	+2
88	F.P.	27/7	24/8	101	91	Highland Dist.	95	......
155	F.P.	13/7	24/8	208	182½	Holt Lloyd Intl	205	......
110	F.P.	5/7	7/9	116	107	Intl. Timber	116	......
50	Nil	—	—	9pm	6pm	Lennons	9pm	......
5	Nil	29/8	18/9	3½pm	3pm	London Inv. Trust	3½pm	+½
25cts	Nil	15/8	17/8	1pm	Nil	Ovenstone	Nil	......
108	F.P.	27/7	20/8	234	125	Stylo Shoes	224	+10
57	F.P.	20/7	24/8	71	60	UBM	71	+1

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security. ‡‡ Issued as units comprising 2 income shares and 10 Capital shares at 125p per unit.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS — Figures in parentheses show number of stocks per section	Mon., Aug. 13, 1979 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Fri., Aug. 10 Index No.	Thurs., Aug. 9 Index No.	Wed., Aug. 8 Index No.	Tues., Aug. 7 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	247.55	+1.2	17.50	5.84	7.35	244.66	242.71	243.79	239.13	242.66
2	Building Materials (27)	226.28	+0.6	18.44	6.35	7.08	225.01	223.48	224.31	220.58	222.18
3	Contracting, Construction (28)	368.54	+1.6	24.76	5.86	5.05	362.75	361.41	359.28	352.22	392.27
4	Electricals (15)	627.66	+1.3	13.01	3.69	10.30	619.48	608.10	610.86	595.99	526.40
5	Engineering Contractors (12)	368.67	+1.0	19.64	6.56	6.36	365.15	366.44	369.10	364.47	353.33
6	Mechanical Engineering (74)	178.74	+1.2	18.83	6.52	6.76	176.69	176.36	177.52	174.60	193.14
8	Metals and Metal Forming (16)	164.03	+1.6	19.08	9.13	6.52	161.39	160.83	161.98	159.17	177.67
11	CONSUMER GOODS (DURABLE) (52)	235.51	+1.6	15.47	4.87	8.12	231.83	230.65	231.38	225.77	220.92
12	Lt. Electronics, Radio, TV (16)	332.60	+1.8	11.94	3.61	10.84	326.81	324.34	324.54	315.61	270.86
13	Household Goods (13)	149.81	+0.9	19.44	7.33	6.31	148.53	149.34	149.14	147.12	189.08
14	Motors and Distributors (23)	113.39	+1.3	23.59	7.51	5.15	111.95	111.78	113.00	110.89	133.22
21	CONSUMER GOODS (NON-DURABLE) (171)	241.14	+0.6	16.23	5.89	7.69	239.66	239.07	241.44	237.39	221.35
22	Breweries (14)	285.21	+0.2	15.90	5.36	7.50	284.71	285.33	287.56	283.21	239.06
23	Wines and Spirits (6)	320.26	−2.2	17.16	5.61	7.28	327.43	327.95	333.45	332.74	285.18
24	Entertainment, Catering (17)	311.64	+1.1	15.96	6.53	8.26	308.33	306.33	313.89	308.45	271.13
25	Food Manufacturing (19)	205.92	+0.8	19.16	6.46	6.49	204.19	204.78	207.79	204.21	216.25
26	Food Retailing (15)	318.60	+1.2	11.61	4.01	10.27	314.92	314.85	316.18	310.84	229.32
32	Newspapers, Publishing (12)	410.67	+0.3	23.04	7.09	6.09	409.49	409.54	409.28	408.33	395.87
33	Packaging and Paper (15)	126.46	+0.8	23.24	8.81	5.57	125.43	125.91	125.96	124.97	149.54
34	Stores (41)	252.00	+0.8	11.59	4.14	11.34	249.92	247.89	249.69	244.83	209.65
35	Textiles (23)	155.48	+1.7	23.50	9.93	5.39	152.88	151.97	152.69	151.54	185.45
36	Tobaccos (3)	245.49	+0.1	23.38	9.06	4.86	245.23	245.23	247.91	241.78	260.11
37	Toys and Games (6)	77.08	+3.9	22.42	8.74	5.66	74.20	73.77	73.70	73.09	122.07
41	OTHER GROUPS (99)	202.51	+1.5	15.74	6.20	7.83	199.57	199.04	200.61	197.32	214.55
42	Chemicals (18)	280.86	+1.1	18.07	6.88	6.46	277.68	277.03	281.50	275.55	300.80
43	Pharmaceutical Products (7)	225.17	+3.2	12.46	4.87	9.81	218.12	217.22	219.11	217.63	278.86
44	Office Equipment (6)	119.85	+1.0	16.74	6.92	7.50	118.68	118.61	119.66	117.96	138.55
45	Shipping (10)	451.72	+1.6	10.41	6.64	12.87	444.79	445.12	443.97	442.01	432.66
46	Miscellaneous (58)	241.16	+1.0	16.12	6.07	8.00	238.87	238.09	238.55	233.92	231.70
49	INDUSTRIAL GROUP (494)	240.20	+1.0	16.38	5.87	7.66	237.77	236.88	238.60	234.35	232.44
51	Oils (6)	633.06	−3.7	12.56	5.32	8.47	657.68	652.05	661.75	658.55	499.29
59	500 SHARE INDEX	272.19	+0.2	15.73	5.78	7.79	271.70	270.38	272.78	268.55	255.02
61	FINANCIAL GROUP (116)	192.18	+0.8	—	5.46	—	190.59	189.45	189.60	186.71	178.12
62	Banks (6)	223.44	−0.8	36.35	5.73	3.52	225.22	224.56	221.68	220.33	197.98
63	Discount Houses (10)	265.36	+1.4	—	6.92	—	261.67	260.12	255.31	252.28	223.06
64	Hire Purchase (5)	166.73	+0.3	19.90	5.21	6.44	166.17	166.17	167.01	162.51	165.19
65	Insurance (Life) (10)	148.81	+0.6	—	6.83	—	147.86	146.37	148.80	147.53	152.98
66	Insurance (Composite) (8)	127.05	+1.0	—	7.11	—	125.85	125.12	125.63	123.81	137.88
67	Insurance Brokers (10)	266.14	+1.7	18.81	6.89	7.60	261.70	260.77	267.53	257.04	371.54
68	Merchant Banks (14)	98.81	+0.6	—	5.57	—	98.18	98.24	97.58	95.89	84.76
69	Property (43)	373.68	+2.5	3.21	2.52	45.89	364.65	360.74	362.21	355.50	258.18
70	Miscellaneous (10)	117.60	+0.5	15.82	7.52	8.10	117.03	116.65	116.47	115.84	113.58
71	Investment Trusts (110)	210.33	+0.9	—	5.41	—	208.52	208.50	206.94	203.34	242.47
81	Mining Finance (4)	122.93	+2.1	16.20	6.15	7.57	120.43	120.70	121.14	120.35	112.26
91	Overseas Traders (20)	340.75	+1.5	15.96	7.30	7.68	335.81	336.18	334.73	330.79	325.44
99	ALL-SHARE INDEX (750)	249.17	+0.4	—	5.74	—	248.20	247.07	248.60	244.80	235.51

FIXED INTEREST PRICE INDICES

	British Government	Mon., Aug. 13	Day's change %	xd adj. today	xd adj. 1979 to date
1	Under 5 years	105.28	−0.10	0.63	6.03
2	5-15 years	117.80	−0.42	—	7.06
3	Over 15 years	124.74	−0.48	0.17	8.63
4	Irredeemables	138.58	−0.37	—	7.24
5	All stocks	115.28	−0.33	0.31	7.23

FIXED INTEREST YIELDS
British Govt. Av. Gross Red.

			Mon., Aug. 13	Fri., Aug. 10	Year ago (approx.)
1	Low Coupons	5 years	10.09	10.05	8.66
2		15 years	10.55	10.51	10.76
3		25 years	11.00	10.96	11.48
4	Medium Coupons	5 years	12.11	12.03	11.36
5		15 years	12.11	12.03	11.99
6		25 years	12.11	12.03	12.01
7	High Coupons	5 years	12.34	12.21	11.34
8		15 years	12.50	12.43	12.45
9		25 years	12.46	12.38	12.70
10	Irredeemables		10.69	10.64	11.54

		Mon., Aug. 13 Index No.	Mon., Aug. 13 Yield %	Fri. Aug. 10	Thurs. Aug. 9	Wed. Aug. 8	Tues. Aug. 7	Mon. Aug. 6	Fri. Aug. 3	Thurs. Aug. 2	Year ago (approx)
15	20-yr. Red. Deb & Loans (15)	58.41	†12.71	58.56	58.34	58.10	58.07	58.05	58.10	58.07	57.80
16	Investment Trust Prefs. (15)	50.69	13.22	50.69	50.69	50.69	50.69	50.69	50.69	50.69	51.67
17	Coml. and Indl. Prefs. (20)	71.44	12.56	71.57	71.57	71.60	71.60	71.65	72.00	71.85	70.47

† Redemption yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 22p.

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury. 0296 5941

Abbey Gilt Int. Tst.	107.5	112.2	-0.3	3.14
Abbey Capital	37.9	40.3	+0.4	4.58
Abbey Income	44.1	46.9	+0.3	6.47
Abbey Inv. Tst. Fd.	36.7	39.0	+0.2	5.41
Abbey Gen. Tst.	50.2	53.4	+0.1	4.56
Equitas Prog. Tst.	69.6	73.4	+0.7	4.61

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt & Pref.	96.7	101.7	.....	12.05

Allied Hambro Group (a)(g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds

Allied 1st	73.3	78.4	+0.1	5.31
Brit. Inds. Fund	70.3	75.2	+0.4	5.48
Grth. & Inc.	40.8	43.7	+0.4	5.03
Elect. & Ind. Dev.	38.2	40.9	+0.3	4.55
Allied Capital	76.0	81.3	+0.5	4.92
Hambro Fund	117.5	125.7	+0.8	5.45
Hambro Acc. Fd.	138.3	148.0	+1.0	4.53

Income Funds

High Yield Fd.	72.2	77.3	+0.5	8.85
High Income	70.7	75.6	+0.3	7.14
A. H. Eq. Inc.	40.9	43.8	+0.4	7.40

International Funds

International	25.4	27.2	+0.2	2.95
Pacific Fund	36.1	38.6	+0.5	2.31
Secs. Of America	56.3	60.2	+0.4	2.09

Friends' Provdt. Unit Tst. Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Uts.	49.1	52.5	+0.6	4.66
Do. Accum.	65.9	70.4	+0.9	4.66

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300

Capital Aug. 2	102.6	107.8	.....	4.86
Gross Inc. Aug. 2	73.8	76.2	.....	10.29
High Yield Aug. 2	86.7	89.2	.....	9.59

*Unauth. Restricted to monies under Court control.

G.T. Unit Managers Ltd.♥
16 Finsbury Circus, EC2M 7DD 01-628 8131

G.T. Cap. Inc.	103.6	110.2	.....	3.80
Do. Acc.	128.4	136.8	.....	3.80
G.T. Inc. Fd. Un.	172.6	183.6	.....	8.20
G.T. U.S. & Gen.	133.1	141.5	.....	2.90
G.T. Japan & Gen.	78.1	82.6	.....	2.30
♦Gt. Pens. Ex. Fd.	209.4	219.8	.....	5.60
G.T. Int'l. Fund	148.9	158.3	.....	2.00
G.T. Four Yds. Fd.	53.4	56.8	.....	7.90
G.T. Far East & Gen.	43.9	47.2	.....	3.40

G. & A. Trust (a) (g)
5 Rayleigh Road, Brentwood. (0277) 227300

G. & A.	35.9	38.3	+0.3	5.04

Gartmore Fund Managers♥ (a)(g)
2 St. Mary Axe, EC3A 8BP. 01-623 6114
Dealing only: 01-623 5766/5806

American Tst.	25.5	27.3	+0.3	0.90

[illegible]

J. Finlay Income	34.5	37.1	.....	4.25
J. Finlay Euro. Fin.	24.9	26.8	.....	4.15
Accum. Units	29.8	32.1	.....	4.15
J. Finlay Fd. In. Tst.	29.0	31.2	.....	4.89
Accum. Units	34.3	36.8	.....	4.89

Prices on August 8. Next dealing August 15.

Framlington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628 5181

American	48.8	51.8	+2.0	1.09
Capital Tst.	156.4	166.4	.....	3.61
Income Tst.	215.4	222.6	.....	7.84
Int. Growth Fd.	122.6	130.4	.....	2.27
Do. Accum.	128.4	136.4	.....	2.27

Overseas Growth	32.7	35.4	+0.4	3.54
Do. Accum.	35.8	38.7	+0.3	3.54
Capital	25.5	27.6	+0.1	4.99
Do. Accum.	28.7	31.0	.....	5.01
Income	51.4	55.5	+0.3	7.11
Do. Accum.	63.3	66.1	.....	7.11
North American	35.6	38.5	+0.5	2.67
Do. Accum.	38.5	41.6	+0.6	2.67
High Yield	61.7	66.4	+0.4	8.54
Do. Accum.	69.2	74.4	+0.4	8.54
Equity Exempt*	112.2	118.4	.....	5.30
Do. Accum.*	112.2	118.4	.....	5.30
Japan & Pacific	33.3	36.1	+0.6	1.50
Do. Accum.	33.3	36.1	+0.6	1.50

*Prices at Aug. 10. Next dealing Aug. 17.

NOTES

Prices do not include $ premium, except where indicated♦, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. ¶ Guernsey gross. ⊕ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies.

INSURANCE AND PROPERTY BONDS

[illegible]

OFFSHORE AND OVERSEAS FUNDS

Alexander Fund
37, rue Notre-Dame, Luxembourg.

Alexander Fund	$US8.23		.....	—

Net asset value August 8.

Allen Harvey & Ross Inv. Mgt. (C.I.)
1 Charing Cross, St. Helier, Jsy., C.I. 0534-73741

AHR Gilt Edg. Fd.	£12.24	12.32	.....	11.76

Arbuthnot Securities (C.I.) Limited
P.O. Box 284, St. Helier, Jersey. 0534 76077

Cap. Tst. (Jersey)	124.0	128.0	.....	7.82

Next dealing August 20.

Gov't Secs. Tst.	87.5	93.0	+1.0	13.71

Next dealing date August 20.

East & Intl. Tst. (C.I.)	104	111	.....	3.38

Next dealing date Aug. 23.

Australian Selection Fund NV
Market Opportunities c/o Irish Young & Outhwaite, 127 Kent St., Sydney

US$1 Shares	$US1.48		.....	—

Net asset value November 24.

Bank of America International S.A.
35 Boulevard Royal, Luxembourg G.D.

Wldinvest Income	$US109.99	110.49	.....	8.57

Prices at August 9. Next sub. day August 15.

Banque Bruxelles Lambert
2, Rue De La Regence B 1000 Brussels

Renta Fund	$US60.00	61.86	+0.12	8.15

Barbican Managers (Jersey) Ltd.
P.O. Box 63, St. Helier, Jersey 0534 74806

Barb. Int. Fund	85.1	89.9	.....	5.00

Barclays Unicorn International
1, Charing Cross, St. Helier, Jersey. 0534 73741

Overseas Income	45.7	48.1	.....	12.70
Unidollar Trust	$US12.01	12.63	.....	1.70
Unibond Trust	$US98.69	99.65	.....	9.00

1, Thomas St., Douglas, Isle of Man. 0624 4856

Unicorn Aust. Ext.	42.2	45.4	.....	2.00
Do. Aust. Min.	31.8	34.2	.....	1.80
Do. Grtr. Pacific	64.3	69.2	.....	—

[illegible]

Keyser Ullmann Ltd.
25, Milk Street, EC2V 8JE. 01-606 7070

Fonselex	[illegible]	[illegible]	-19	[illegible]
Bondselex	[illegible]	[illegible]		[illegible]
Central Assets	£149.35	149.31	-0.11	—

King & Shaxson Mngrs.
1, Charing Cross, St. Helier, Jersey. (0534) 73741
Valley Hse., St. Peter Port, Grnsy. (0481) 24706
1 Thomas Street, Douglas, I.O.M. (0624) 4856

Gilt Fund (Jersey)	[illegible]	[illegible]		[illegible]
Gilt Trust (I.o.M.)	106.0	102.6	-0.4	11.50
Gilt Fnd. Guernsey	10.04	10.06	.....	11.50

Intl. Govt. Secs. Tst.

First Sterling	£21.47	21.38	.....	—
First Intl.	[illegible]	256.64	.....	—

Kleinwort Benson Limited
20, Fenchurch St., EC3. 01-623 8000

Eurinvest	LF1132		+1	[illegible]
Guernsey Inc.	55.4	69.5	.....	[illegible]
Do. Accum.	65.2	68.3	.....	[illegible]
KB Far East Fd.	US$13.27		.....	[illegible]
KB Gilt Fund	£10.43	10.97	.....	[illegible]
KB Int. Bd. Fd. Inc.	102.71		.....	8.20
KB Int. Bd. Fd. Acc.	108.25		.....	
KB Intl. Fund	$US12.87		.....	[illegible]
KB Japan Fund	$US31.01		.....	[illegible]
K.B. U.S. Gwth. Fd.	$US14.60		.....	[illegible]
Signet Bermuda	$US5.48		+0.08	1.82

Lloyds Bk. (C.I.) U/T Mgrs.
P.O. Box 195, St. Helier, Jersey. 0534 27561

Lloyds Tst. O'seas	51.0	53.6	.....	3.10

Next dealing August 15.

Lloyds Trust Gilt	£10.24	10.25	.....	11.75

Next dealing August 15.

Lloyds Bank International, Geneva
P.O. Box 438, 1211 Geneve 11 (Switzerland)

Lloyds Int. Growth	[illegible]	374.50	.....	[illegible]
Lloyds Int. Income	[illegible]	306.50	.....	[illegible]

M & G Group
Three Quays, Tower Hill EC3R 6BQ. 01-626 4588

[illegible]

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

1979 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
111⅛	88⅛	Treasury 12½pc '03-05	104¾	–½	12.33	12.31
75	62	Treasury 8pc '02-06‡‡	73¾	–¼	11.34	11.57
15¼	13⅛	Trs. 11¾pc 03-07 £15 pd.	15	–½	12.18	12.21
54	41⅞	Treasury 5½pc '08-12‡‡	50¾xd	–⅛	10.85	11.89
73⅝	57⅛	Treasury 7¾pc '12-15‡‡	68⅝	–⅜	11.40	11.50
109¼	85¾	Exch. 12pc '13-'17	101⅜	–½	12.08	12.07

Undated

1979 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
36	28½	Consols 4pc	34	–⅛	11.81	—
35⅝	28	War Loan 3½pc‡‡	33⅞	–⅛	10.55	—
39½	33½	Conv. 3½pc '61 Aft.	39¼	–⅛	9.22	—
27⅛	22¼	Treasury 3pc 66 Aft.	26¼	–¼	11.68	—
24¼	19½	Consols 2½pc	24⅛	......	10.48	—
22½	18⅝	Treasury 2½pc	22¼	–½	11.72	—

INTERNATIONAL BANK

1979 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
85	80	5pc Stock '77-82	85	......	5.86	11.39

CORPORATION LOANS

1979 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
101	88¼	Bath 11¼pc 1985	97¾	–½	11.88	12.47
107¾	93	Birm'ham 12½pc 1985	101¼	+⅛	12.62	12.72
104	99½	Bristol 13¾pc 1981	101¼	......	13.59	12.77
110¼	108½	Burnley 13pc 1987	110	–¼	11.96	11.39
100	86¼	Cardiff 11pc 1986	95¾	+¼	11.87	12.56
103½	95¾	G.L.C. 12½pc '82	99¾	+¼	12.53	12.55
104¼	93½	Do. 12½pc 1983	99¾	......	12.53	12.56
95	86	Glasgow 9¼pc '80-82	91¼	......	11.91	12.62
78½	66¼	Herts 6¾pc 1985-87	75	+½	9.02	11.66
98	86	Liverpool 9¼pc '80-84	90	+¼	10.82	12.55
30	24¾	Do. 3½pc Irred.	27¼	......	13.19	—
106⅛	99½	Lon. Corp. 13¼pc '83	101¾	+½	13.03	12.65
93½	83	Do. 9¼pc '84-85	92	+¼	10.02	11.85

COMMONWEALTH & AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

1979 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
107	100	Do. 14pc '79	101	......	14.24	—
108¼	98¼	Do. 14pc '83	103¾	......	13.50	12.82
86½	77½	ICFC 5½pc Deb. '80-82	83xd	+¼	6.62	12.00
85	71½	Do. 6¼pc Db. '81-84	78½	......	8.13	12.40
99	84½	Do. 10¼pc Uns.Ln. '86	92	......	11.56	12.60
99	84½	Do. 11pc Uns.Ln. '88	94	......	11.86	12.20
101½	84	Do. 11¾pc Uns.Ln. '90	97	+½	12.28	12.60
72½	57	Do. 7¼pc A Deb. '89-92	67	+½	11.12	12.90
69	53½	Do. 7¼pc A Db. '91-94	63½xd	+⅛	11.41	12.80
81½	64½	Do. 9pc 'A' '91-94	79	......	11.95	12.70
78½	62½	Do. 8⅞pc Ln. '92-97	72½xd	......	12.24	12.70
102	95½	Do. 12¾pc. Uns. Ln. 1992	98½xd	+2¼	12.69	12.70

FOREIGN BONDS & RAILS

1979 High	Low	Stock	Price £	+ or –	Div. % Gross	Red. Yield
35	22	Antofagasta Rly.	35	......	—	—
45	37	Do. 5pc Pref.	45	......	—	—
98	98	Chilean Mixed	98	......	—	3.10
31	18	Chinese 4½pc 1898	25	......	—	—
35	21	Do. 5pc 1912	21	–3	—	—
20	10	Do. 5pc 1925 Boxer	10	–1	—	—
430	400	German Yng. 4½pc.	425	......	4½	8.36
52	35	Greek 7pc Ass.	37	......	3½	6.10
51	34	Do 6pc 28 Stab. Ass.	36	......	6	8.85
42	32	Do 4pc Mixed Ass.	33	......	4	6.30
54	42	Hung. '24 Ass.	54	......	—	5.10
68	68	Iceland 6½pc '83-88	68	......	—	13.05
90½	78½	Ireland 7½pc '81-83	85½	......	7½	12.45
87½	69	Do 9¾pc '91-96	86½	......	9¾	12.23
390	230	Japan 4pc '10 Ass	250	......	—	—
73	65	Do 6pc '83-88	67	......	6	12.00
160	135	Peru Ass. 3pc	150	......	3	1.75
75p	75p	S.G.I. 6½pc 1980	75p	......	6½	8.67
$94½	$94½	Turin 9pc 1991	$94½	......	9	9.53
DM91	DM91	Turin 6½pc 1984	DM91	......	6½	8.45
97	95	Uruguay 3½pc	97	......	3½	3.80

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

1979 High	Low	Stock	£	+ or –	Div. Gross	C'vr	Y'ld Gr's
20¼	11¾	ASA	13	+⅞	$1.00	—	3.5
59	40	AMF 5% Conv. '87	40	......	5%	—	18.4
21¾	14⅝	Abbott Labs.‖	18xd	+½	84c	—	—
25⅞	17	Amax $1	19⅝	+⅛	$1.6	—	3.7
23½	15⅛	American Express	17⅞	......	$1.80	—	4.5
24½	13¾	Amer. Medic. Int.	15⅝	+⅜	60c	—	0.0
14⅝	847p	Asarco Inc.	10½xd	+¼	$1.00	—	4.4
27¼	19¾	Baker Intnl. Corp. $1	22⅝xd	+½	60c	—	1.2

S.E. List Premium 12½% (based on US$2.2495 per £)
Conversion factor 0.8877 (0.9037)

CANADIANS

S.E. List Premium 12½% (based on $2.6372 per £)

BANKS AND HIRE PURCHASE

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
224	122	Com'l Aus. (SA1)	145	......	†Q16c	2.9	5.8	6.0
£173¼	930	Com'zbk DM 10	£10¼	......	Q26.6%	—	6.6	—
£18½	£10¾	C'hgn. Hbk. Kr100	£10¾	......	Q12%	—	11.1	—
41	29	Corinthian 10p	35	......	1.05	5.9	4.3	4.0
£24¾	£15	Cred. France F75	£17½	......	Q9.87%	—	3.7	—
16	12	Dawes (G. R.)	12	......	—	—	—	—
£121	£64	Deutsche Bank DM50	£67½	......	Q28.12%	—	5.1	—
90	63	F. C. Finance	63	......	2.2	4.9	5.0	5.8
8¼	5¾	First Nat. 10p	6	......	—	—	—	0.4
4	2	Do. Wrrts. 75-83	2½	......	—	—	—	—
266	178	Gerrard Natnl.	266	+8	9.12	—	4.9	—
62	39	Gibbs (A.)	51	–1	2.2	—	6.2	—
270	217	Gillett Bros. £1	224	......	†16.95	—	10.8	—

BANKS & HP—Continued

Hire Purchase, etc.

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MINES—Continued

AUSTRALIAN

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
14	9	Acmex	12	......	—	—	—
14	4	ACM 20c	9	......	—	—	—
171	100	Bougainville 50 Toea	123	+4	Q15c	1.0	6.2
140	84	BH South 50c	105	......	—	—	—
860	340	Central Pacific	750	......	—	—	—
318	170	Conzinc Riotinto 50c	203	−7	NQ10c	2.0	2.5
36	16	Cultus Pacific N.L.	19	−1	—	—	—
10	5	Eagle Corp. 10c	9½	......	—	—	—
21½	11	Endeavour 20c	13¾	−¼	—	—	—
98	62	G.M. Kalgoorlie $1	86	+2	Q3c	—	1.8
42	23	Haoma Gold N.L.	29	......	—	—	—

TINS

COPPER

MISCELLANEOUS

GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S. currency excluding the investment dollar premium. These prices are available only to non-UK residents.

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
$17½	$10½	Buffels R1	$16½	+⅛	Q200c	ϕ	14.7
$15½	890c	East Drie R1	$13⅝	−⅛	†Q115c	1.6	10.4
$10¼	350c	East Rand Prp. R1	975c	−37	†Q10c	—	1.2
$27⅝	$18¼	F.S. Geduld 50c	$27¼	....	†Q315c	2.4	14.0
$19⅝	$11½	Pres. Brand 50c	$18¼	−½	†Q150c	3.2	9.7
$18⅛	$10¼	St. Helena R1	$17½	−¼	†Q190c	1.4	13.1
760c	407c	Stilfontein 50c	720c	.....	†Q66c	1.7	11.1
$35¼	$18¼	Vaal Reefs 50c	$33	−¼	†Q280c	2.7	10.8
$50¼	$28¼	West Drie R1	$47	−⅛	Q615c	ϕ	15.8
$36½	$22¼	West Hldgs. 50c	$34	−½	†Q415c	1.4	14.8
$18⅝	$10⅛	Western Deep R2	$15⅝	−⅛	†Q147½c	2.1	12.4

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling or in EEC currencies are quoted inclusive of the investment dollar premium.

- Δ *Sterling denominated securities which include investment dollar premium.*
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ *Cover allows for conversion of shares not now ranking for dividends* or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♀ Regional price.
- ∥ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital: cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. ‡‡ Yield based on assumption Treasury Bill Rate stay unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xcl ex capital distribution.

"Recent Issues" and "Rights" Page 22

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	26	......	Sindall (Wm.)	165	......
Bertam	22	......	**IRISH**		
Bdg'wtr. Est. 50p	405	......	Conv. 9% '80 82	£86xd	......
Clover Croft	28	......	Nat. 9¾% 84/89	£71¾	......
Craig & Rose £1	£111½	......	Fin. 13% 97-02	£85⅞	......
Dyson (R. A.) A	26	......	Alliance Gas	65	......
Ellis & McHdy	180	......	Arnott	330	−15
Fife Forge	54	......	Carroll (P.J.)	105	......
Finlay Pkg. 5p	19½	......	Clondalkin	81	+2
Graig Ship £1	315	......	Concrete Prods.	87	......
Higsons Brew	75	......	Heiton (Hldgs.)	74xd	......
Holt (Jos) 25p	260	......	Ins. Corp.	190	−10
I.O.M. Stm. £1	155	......	Irish Ropes	70	......
Pearce (C. H.)	265	......	Jacob	40	......
Peel Mills	30	......	T.M.G.	165	......
Sheff. Refrshmt	105	......	Unidare	79½xd	......

OPTIONS

3-month Call Rates

Industrials		I.C.I.	24	Tube Invest.	30
A. Brew	9	"Imps"	8	Unilever	55
BOC Intl.	6	I.C.L.	55	U.D.T.	5
B.S.R.	7	Inveresk	7	Utd. Drapery	10
Babcock	18	KCA	5	Vickers	18
Barclays Bank	32	Ladbroke	22	Woolworths	7½
Beecham	52	Legal & Gen.	14		
Blue Circle	18	Lex Service	11	**Property**	
Boots	18	Lloyds Bank	25	Brit. Land	7½
Bowaters	18	"Lofs"	5	Cap. Counties	9
B.A.T.	28	London Brick	7	Land Secs.	25
Brown (J.)	50	Lonrho	8	MEPC	17
Burton 'A'	26	Lucas Inds.	25	Peachey	13
Cadburys	7	"Mans"	18	Samuel Props.	14
Courtaulds	10	Mrks. & Spncr	11	Town & City	2¼
Debenhams	8	Midland Bank	30		
Distillers	21	N.E.I.	14	**Oils**	
Dunlop	6½	Nat. West. Bank	28	Brit. Petroleum	100
Eagle Star	14	Do. Warrants	15	Burmah Oil	13
E.M.I.	12	P & O Dfd.	10	Charterhall	5
Gen. Accident	21	Plessey	10	Premier	5
Gen. Electric	35	R.H.M.	5	Shell	25
Glaxo	50	Rank Org.	25	Ultramar	25
Grand Met.	14	Reed Intnl.	18		
G.U.S. 'A'	30	Sears	5½	**Mines**	
Guardian	24	Spillers	4½	Charter Cons.	16
G.K.N.	28	Tesco	7	Cons. Gold	20
Hawker Sidd	26	Thorn	35	Rio T. Zinc	27
House of Fraser	18	Trust Houses	17		

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES
Tuesday August 14 1979

U.S.-EEC rift likely over North Sea oil

BY JONATHAN CARR IN BONN

THE U.S. and European Community countries are likely to find themselves at odds over the status of Britain's North Sea oil supplies when Western energy Ministers meet later this year.

The disagreement arose during the final stages of the summit conference of seven industrialised nations in Tokyo in June. So far, according to West German officials, there is no sign of a solution, although the issue is one of key importance to the energy-saving strategy outlined in the Tokyo summit communique.

The four Community countries present — West Germany, France, Britain and Italy — agreed to set limits on their annual oil imports up to 1985, equal to actual imports last year. In exchange, the U.S. agreed on a specific medium-term objective for limiting its oil imports.

However, it is understood that President Carter believed the Community commitment to freeze imports at 1978 levels included their purchases of North Sea oil from Britain. The Europeans felt they were committing themselves only to freeze imports from outside the EEC.

The difference is not yet large. Last year West Germany imported 95.7m tonnes of crude oil, of which 6.4m tonnes came from Britain. However, it is felt even that relatively small quantity is of great value in the struggle to live up to a series of precise energy-saving commitments.

The energy Ministers of the Seven Tokyo summit countries are now to meet in a follow-up conference to see how the summit decision are being implemented and—in the case of EEC oil imports—to try to define exactly what the Tokyo communiqué implied.

While the communiqué mentioned that a high-level group would meet later to assess progress, it was President Valery Giscard D'Estaing of France who, after the summit, pressed hard for a meeting at Ministerial level without delay.

The West Germans agreed that Ministers should meet—but there remains some doubt about the precise date and place. It is understood that some Community countries would prefer to wait until after the next European Energy Council meeting in early October before going ahead with the Ministerial gathering.

West Germany seems likely to find it very hard to live up to yet another promise—this one made by all members of the International Energy Agency—foreseeing a cut in oil consumption this year of 5 per cent below original estimates.

A group of energy officials met in Bonn last week under Count Otto Lambsdorff, the Economics Minister, but little emerged which would help achieve this cut. Government officials agree that more dramatic measures are called for, but there is little agreement on what these might be.

Chrysler UK strike leads to lay-offs at Linwood

BY LISA WOOD

MORE THAN 2,000 workers at Chrysler UK's Linwood plant in Scotland are to be laid off tomorrow because of the strike at the company's Stoke factory in Coventry, now in its fifth week.

A further 2,000 of the 7,000-strong Scottish workforce will be laid off at the end of the week. All production of Chrysler UK's Avenger and Sunbeam models will stop tonight when the Linwood production line is halted.

The Stoke strike over a pay dispute has stopped the supply of engines to Linwood. Production of the Alpine model also ceased nearly six weeks ago when the company's Ryton plant, in Coventry, went on strike.

But Chrysler UK — which sells its models under the Talbot name after being taken over by Peugeot-Citroen—said it had adequate stocks of all three models until the end of the month.

Stocks of the cars have been built up because of the car workers' annual three-week holiday at the end of July and in early August.

Chrysler UK said that Alpine cars could be imported from the company's French assembly plant near Paris. It said: "If the strike goes on after the end of the month we would consider diverting Alpine models to the UK from the Continent."

Chrysler UK produces on average 1,000 Alpines a week from the Ryton plant and 2,000 Avenger and Sunbeam models a week at Linwood.

Chrysler dealers said yesterday that stocks of Alpine cars were low, but plenty of the other models were still being delivered. George Heath, Chrysler UK's main Birmingham dealer, said: "Customers are now cancelling orders for Alpines, they will not wait. Before the strike we could sell more than we could get."

Dealers reported a general lull in demand for all new cars last month when new car sales, at 52,252, were the lowest in any July for at least 10 years.

However, Chrysler UK, with sales of 4,329 new models in July, slightly improved its market share during the month —up to 8.29 per cent compared with an average of 7.51 per cent for the first seven months this year.

A protest march by strikers from Chrysler's Ryton plant in Coventry was called off yesterday because of lack of support. Only 60 men—instead of the expected 1,000—turned up for the march from Coventry city centre to Chrysler's administrative headquarters at Whitley, two miles away.

Shop stewards now plan a mass meeting of the 2,000 strikers outside the factory tomorrow morning. Mr. Pat Fox, the Transport, General and Municipal Workers' convenor, said: "They had better turn up and demonstrate if they want to show they are still totally opposed to the company's offer."

Both Coventry plants are protesting at the company's offer of a 5½ per cent pay increase. Chrysler UK insists that it cannot afford a high award as a loss of £30m is already forecast for this financial year. The company has told the unions that a proposed incentive scheme could yield an extra £5m or more a week.

● Production of the BL Triumph Dolomite, Spitfire, and some TR7 sports cars in Coventry will be halted from today because of a strike by 200 men in the paint shop.

Talbot protest, Page 6

Racal wins big American orders

BY JOHN LLOYD

RACAL, the UK communications equipment company, has won two defence contracts in North America in what it believes to be a major breakthrough into a highly lucrative market.

The contracts are worth about $16.5m (over £7m) and are for the supply of radio communications receivers to the U.S. Air Force and the Canadian armed forces. They are the largest ever received by the company's U.S. subsidiary, Racal Communications, based in Rockville, Maryland.

The orders—for at least 2,000 receivers—are seen as opening the way to larger contracts from the U.S. and Canadian armed services.

The company said yesterday that the U.S. order—worth $11m (£5m)—is an initial contract, and is "the start of the replacement programme for the ageing R-390 receiver, of which there have been more than 40,000 in worldwide operation with the U.S. armed forces and many other nations since it was introduced in 1950."

Now the U.S. will buy the new Racal RA6790/GM, which has not yet been officially announced by the company. Racal said that it had offered a better price than its American competitors. Delivery of the sets will be over the next five years.

The Canadian contract is for another new Racal receiver, the RA6778C. Delivery will be made over two years, and sub-contract work will be handled by the company's small Racal (Canada) subsidiary in Ottawa.

Both the U.S. and Canadian armed forces follow a policy of buying from domestic suppliers. Mr. Ernest Harrison, Racal's chairman, said yesterday that the contracts, "won against heavy competition from major U.S. companies, clearly emphasise the lead that Racal has established in receiver techniques."

Continued from Page 1

Retail sales down

7.7 per cent higher in value terms and in the latest week recorded, ending on August 4, the increase was 9.5 per cent. This was still below last year's performance in volume terms, but the gap has been closing.

Mr. Terry Curry, joint managing director of the Currys electrical chain, said his group's trading had followed a similar pattern.

He expected volume to have caught up with last year's performance within the next four weeks. By then the effect of Budget boom and its aftermath was likely to be a small net volume gain compared with last year.

Longer-term comparisons, to even out the bunching of spending in June, show that the average volume of sales in the first seven months of this year was about 1.4 per cent higher than the average level in the previous half-year.

In the May-July period sales were 4.4 per cent higher than in 1978. This rate of growth is in line with the forecast by the Retail Consortium, which represents a wide range of stores, of a 4 per cent gain in sales this year over 1978.

RETAIL SALES

		Volume 1971=100 (seasonally adjusted)	Value % change compared with year earlier (not adjusted)
1978	1st	106.4	+13
	2nd	107.9	+15
	3rd	110.7	+14
	4th	111.7	+14
1979	1st	110.3	+13
	2nd	116.7	+17
	April	115.4	+14
	May	113.5	+14
	June	120.3	+20
	July*	108½	+11

* provisional estimate.
Source: Department of Trade.

Such an outcome would be compatible with the expected increase in real personal disposable incomes this year, which the London Business School has forecast at 4.3 per cent.

The next main impetus to spending is expected to come in October when the second set of tax rebates, due to the cut in rates, takes place.

Living standards in U.S. 'could fall drastically'

BY DAVID BUCHAN IN WASHINGTON

LIVING STANDARDS of the average American will fall drastically in the 1980s unless the U.S. reverses its decline in economic productivity, according to a key Congressional study which implicitly criticises the Administration's hesitancy to stimulate growth that might accelerate inflation.

The Congressional Joint Economic Committee report came on the same day as President Carter was due to meet leaders of the food processing industry to persuade them to reduce what the Administration believes are excessive profit margin increases.

The Administration complaint is based on the fact that while U.S. wholesale food prices fell at an annual rate of more than 17 per cent during the second quarter of this year, retail prices still rose some 7 per cent in the same period.

Main problem

This "jawboning" effort by the President on a key sector is considered vital by Mr. Alfred Kahn, and the President's other anti-inflation advisers, if the Administration is to gain wider acceptance for its voluntary incomes policy, due to be revamped as it enters its second year on October 1.

But, according to the joint committee report issued by Congressmen and Senators of both parties, the main problem affecting inflation is low U.S. productivity. Output per man hour in the private sector fell at an annual rate of 3.3 per cent in the first quarter of this year, and at a precipitous annual rate of 5.7 per cent in the second.

This decline has pushed up unit labour costs, which are then reflected in higher prices, the report says. Only increased production can win the long-term battle against inflation, says the committee, by putting "more goods on the shelves of our nation's businesses at lower unit costs."

Restraint

Though not specifically recommending tax cuts to stimulate new production and productivity—as the Republican Party has done—the report argues for corporate and investment tax reductions.

However, President Carter has instructed his senior staff not to comment about a possible tax cut late this year or early next. His feeling is that such talk undermines the present fight against inflation, which relies on tight budgetary restraint.

The committee's report notes that higher energy prices and planned increases in social security taxes early next year will create a very considerable fiscal drag on the economy.

Car part franchises 'should be ended'

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE EXCLUSIVE supply of car spares through the major car companies' franchised dealers should be abandoned, according to an unpublished Price Commission report.

The report was completed last May but so far the Government has shown no signs of publishing it. The practice of franchised car spares outlets refusing to carry other manufacturers' spare parts is a restriction on competition, it says.

In particular, the franchising system is preventing UK manufacturers from gaining access to the spares market for the rapidly growing number of foreign cars in the UK.

The report is critical of labour relations within the car components industry. It suggests that, without a significant improvement in the industry's strike record, any other improvements will be wasted.

The high level of recommended retail prices for some popular car spares, such as sparking plugs and oil filters, is also criticised.

Election

The investigation into the £1.5bn a year car spares industry started last year. It followed consumer complaints about the level of prices for spare parts, which can form a considerable part of car running costs.

But although the report was finished just before the general election, it has not yet been published. The Department of Trade said last night that the Government intended to publish it, although no date had yet been fixed.

Within the trade, there is some suspicion that the Government is embarrassed by the report's far-reaching conclusions. There is also concern that confidential information in the report should not be published. But several manufacturers feel that the report should appear soon, and that the Government should act on its conclusions.

The car spares industry is effectively dominated by the major car manufacturers.

The big four UK manufacturers—BL, Ford, Talbot and Vauxhall—provide some 20 per cent of car spares themselves and take another 30 per cent from specialist components manufacturers. Franchised dealers are allowed to sell only those spares provided by the car manufacturer, even though other spare parts would be acceptable substitutes.

The remaining 50 per cent of output from specialist component manufacturers is sold through non-franchised garages, accessory shops, fitting centres, and filling stations.

The commission points out that the decline in UK car production and the rapid increase in imported cars, limits the potential outlets for UK components manufacturers' production. The commission recommends that the exclusive nature of franchise outlets should be abandoned to allow UK components manufacturers wider access to the markets. This would also enable pressure to be put on distributors of foreign cars to end their exclusive franchises for foreign spares.

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Chrysler

In essence, Data Resources argues that Chrysler is the country's tenth largest industrial company and third largest motor manufacturer, but its importance has declined so much in recent years that its loss would not be a lasting calamity.

The underlying economic assumptions are that the second, third and fourth quarters of 1979 will see negative Gross National Product

Twelve Soviet nuclear ships may be built

THE MAJOR build-up of Soviet naval forces is continuing, with a new class of heavily-armed nuclear-powered battle-cruisers under construction at the Leningrad shipyards.

The latest edition of Jane's Fighting Ships suggests that 12 of these 32,000-ton vessels, the first nuclear-powered surface warships in the Soviet Navy, may be built.

Weather

UK TODAY

RAIN at first, with brighter periods and showers spreading from the West.

London, Cent. S., E., Cent. N., N.E. England, E. Anglia, E. Midlands, Borders, Edinburgh and Dundee, Aberdeen.
Cloudy with rain, becoming drier later. Max. 20C (68F).

S.E. England, Channel Isles
Cloudy with some rain or drizzle. Max. 21C (70F).

S.W., N.W. England, Wales, Lake District, W. Midlands
Rain at first becoming brighter with showers. Max. 19C (66F).

I. of Man, S.W. Scotland, Glasgow, N. Ireland
Bright intervals with some showers. Max. 19C (66F).

Orkney and Shetland
Cloudy with some rain or drizzle. Max. 14C (57F).

Rest of Scotland
Rain at first becoming brighter with showers. Max. 17C (63F).

Outlook: Showers with some sunny intervals. Rather cool.

WORLDWIDE TEMPERATURES

		Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	26	79	Cologne	C	20	68	Los Ang.	C	22	72	Perth	C	20	68
Algiers	S	33	91	Cpnhgn.	S	19	66	Luxmbg.	F	20	68	Prague	S	21	70
Amsdm.	C	19	66	Corfu	S	28	82	Luxor	S	40	104	Reykjvk.	C	12	54
Athens	S	29	84	Dublin	C	18	64	Madrid	S	33	91	Rhodes	S	28	82
Bahrain	S	36	97	Dbrvnk.	S	24	75	Majorca	S	30	86	Rome	S	28	82
Barclna.	S	28	82	Ednbgh.	F	19	66	Malaga	S	29	84	Salzbrg.	C	20	68
Beirut	S	29	84	Faro	S	28	82	Malta	S	29	84	Singapr.	S	29	85
Belfast	F	18	64	Florence	F	29	84	M'chstr	C	19	66	Stckhm.	F	18	64
Belgrd.	C	18	64	Frankft.	C	20	68	Melbne.	R	10	50	Strasbg.	F	24	75
Berlin	S	22	72	Funchal	S	25	77	Milan	S	26	79	Sydney	S	15	59
Biarritz	S	27	81	Geneva	S	23	73	Mntreal.	C	15	59	Tangier	S	27	81
Bmghm.	F	20	68	Gibrltr.	S	26	79	Moscow	S	24	75	Tehran	S	28	82
Blackpl.	S	18	64	Glasgow	F	17	63	Munich	C	19	66	Tenerife	S	22	72
Bordx.	S	26	79	G'nsey	C	16	61	Nairobi	C	15	59	Tokyo	C	30	86
Boulgn.	C	17	63	H. Kong	S	31	87	Naples	F	26	79	Toronto	C	19	67
Bristol	C	18	64	Innsbrk.	S	21	70	Nwcstl.	F	21	70	Tunis	S	29	84
Brussels	C	22	72	Invrnss.	F	15	59	N. York	S	19	67	Valencia	S	29	84
Budpst.	R	17	63	I.o.Man	F	16	61	Nice	S	26	79	Venice	F	25	77
B. Aires	C	13	55	Jersey	C	17	63	Nicosia	S	29	84	Vienna	F	20	68
Cairo	S	34	93	Jo'burg	S	14	57	Oslo	C	15	59	Warsaw	C	13	55
Cardiff	C	17	63	L. Pms.	S	25	77	Paris	F	24	75	Zurich	S	22	72
Cas'b'ca	S	25	77	Lisbon	S	27	81								
Cape T.	S	18	64	Locarno	S	25	77								
Chicago	S	21	70	London	C	19	66								

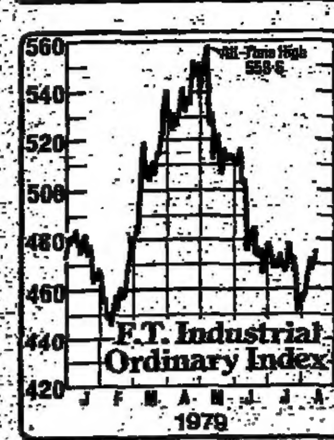
C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

THE LEX COLUMN

Lead Industries buys a job lot

The gilt-edged market was showing signs of indigestion yesterday—liquidity is in short supply and a £600m call on the 2003-07 stock is due on Monday. But the fall in gilt-edged leaves the new short tap looking rather dear, so that its tender tomorrow should not cause too much trouble to the money markets, which yesterday had to struggle to accommodate the £480m recall of special deposits. The real economy, meanwhile, looks every bit as volatile as the markets—output seems to have been picking up but retail sales have been decimated after the Budget boom.

Index rose 5.8 to 475.8



Lead Industries

The U.S. group NL Industries has been pulling out of its considerable metal interests for several years now in order to concentrate on oil services. Its disengagement is gathering pace, which provides a useful opportunity for Lead Industries to pick up North American assets in businesses it knows well at a price which reflects their lack of glamour and the expense of meeting U.S. anti-pollution requirements.

Lead Industries, which bought a small company from NL as recently as last year, has now been offered a job lot and has agreed in principle to buy four NL units at book value, $50m. It reckons that the financing costs of the acquisition—say $5m a year after allowing for some trade creditors—will be more than covered by current profits, and that there should be substantial room for raising earnings in the future.

The acquisition is something of a mixed bag: lead stabilisers, battery oxides, solders and fluxes and materials for ceramic manufacture. But all these diverse activities are more or less familiar to Lead Industries, and the resulting U.S. operation, which should generate sales of something like $150m in 1980, will reflect the broad spread of the group's worldwide business — only paints and diecasting will be missing. The main obstacle at the moment is approval from the U.S. authorities—Lead Industries will certainly be anxious to avoid the problems that its major shareholder, Imetal, encountered when it bid for Copperweld Corporation.

Bank capital

Since the Bank of England published its thoughts on bank capital adequacy four years ago, nothing more has been heard on the subject. With memories of the fringe banking crisis quietly disappearing into history it was generally assumed that the authorities had lost interest in the subject.

However, the passing of the 1979 Banking Act has once again focused attention on the thorny issue, and the Bank of England and the banks are currently engaged in hurried and clandestine discussions to sort out their thoughts. Before it issues the new banking licences the Bank of England has to ensure that the applicant is carrying on business in a "prudent manner." In particular, it has to take account of the "scale and nature of the liabilities" of the institution and the "nature of its assets and the degree of risk attached to them."

This does not lend itself to the easygoing and informal attitude to capital adequacy that has characterised the Bank of England's approach in the past. The authorities have to be more specific and in the draft proposals now under discussion the Bank has tried to identify the amount of capital required to cover the various types of bank assets. In addition, it is proposing two prudential ratios —a gearing ratio (similar to the old free capital ratio) and a risk asset ratio. So far, however, it does not appear to be stipulating any minimum acceptable level for the ratios although it is hard to see how it will be able to avoid doing so at some stage.

Bernard Sunley

Preliminary figures from Bernard Sunley show that the group had been doing some very vigorous spring cleaning before Eagle Star made its bid approach at the beginning of this month. Disposals in Munich, Brussels and France have helped Sunley to reduce its bank debt from £45.6m in March, 1978, to a current figure of around £5m. And property sales plus the capital profit on the early repayment of a debenture have more than offset the impact of a £6m book loss on the French disposal. Based on valuations made a year earlier, net worth this March stood at £60m, or 375p per share.

It will be a couple of months yet before up-to-date valuations can be made and bid terms finalised. Drawing a line through some of the figures produced by other major groups recently suggests an uplift in prime property value of maybe a quarter or so in the last year and a half. Add in some kind of surplus on the construction side, which is scheduled to be sold off to the Sunley family, and net assets could emerge at a bit over 550p per share. However, there is always a risk that the two sides will not reach agreement this time around, and even if all goes well it will be some time before money changes hands. That is why the shares closed last night at 485p.

Sarabex

By invoking the aid of the European Commission, Sarabex —an outsider—forced the Bank of England to describe and to apply conditions for membership to the City of London's money broking cartel. It has now altered itself to comply with the Bank of England's requirements and has thus gained entry.

The changes to Sarabex required by the Bank cannot be described as painful. The money-broker has been asked to take on board three established operators in the London currency market. Other Sarabex executives must distance themselves from London to concentrate on Sarabex's overseas interests—a mild banishment in what is a round-the-clock international market.

The case has attracted attention because it has pitted the idealism of Brussels concerning free entry into markets against a particularly opaque example of the City of London's self-regulation. The result has been a compromise and also an improvement. The power of informal regulation remains: it is now firmly in the hands of the Bank. And it is much better for an international market place that potential entrants should know who is in charge, and what standards are demanded, than to come up against an ill-defined barrier of exclusivity.

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